



# Buckhead Housing and Commuting Study

Summer 2019



**DRAFT – IN PROGRESS**



# ACKNOWLEDGEMENTS

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# TABLE OF CONTENTS

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<b>Executive Summary</b>	<b>3</b>
<b>Market Overview</b>	<b>15</b>
<b>Action Plan</b>	<b>44</b>
<b>Strategy Framework</b>	<b>50</b>
<b>Appendix</b>	<b>52</b>

Produced by **HR&A Advisors, Inc.** for  
**Livable Buckhead** | 2019

# Executive Summary

# THE BUCKHEAD HOUSING AND COMMUTING STUDY

The **Buckhead Housing and Commuting Study** provides a framework for policymakers, community stakeholders, and residents to understand Atlanta's growing jobs and housing mismatch and its effect on the livability and affordability of Buckhead. It is organized around two key sections. This *first two* sections describe how market forces and employment patterns have shaped Buckhead's current demand and supply and how these elements determine the housing gap in Buckhead. These sections are designed to help answer the research question – **can housing be part of a solution to Buckhead's transportation and livability challenges?**

The *third* section focuses on actionable steps and how different tools can address these challenges – and frames what a Buckhead with varied options and housing could look like.



**Potential Housing Demand and Supply** *What does Buckhead's current housing market look like?*



**Housing Gap Analysis**

*What is the mismatch between the current housing supply and workforce?*



**Action Plan**

*What are the key steps required to help address this mismatch?*

# THE BUCKHEAD HOUSING AND COMMUTING STUDY

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The Buckhead Housing and Commuting Study was conducted over nine months and consisted of two components – a detailed data assessment and stakeholder committee meetings to inform our findings and recommendations.

## THE ASSESSMENT

HR&A Advisors, on behalf of the Buckhead Community Improvement District (BCID) and Livable Buckhead, developed a multi-pronged approach for meeting residential demand and expanding housing options across a broad range of household incomes in the Buckhead area. HR&A conducted a housing assessment that examined demographic and housing market trends, a housing inventory analysis, and a broader market opportunity assessment. HR&A also conducted a workforce analysis to create a detailed demographic summary of Buckhead’s workforce and an origin-destination analysis by census tract. In order to evaluate strategies to reduce traffic congestion in Buckhead, HR&A explored a number of parking and transportation demand management tools to reduce resident and worker vehicle commutes.

## COMMUNITY WORKSHOPS

Livable Buckhead and HR&A facilitated four 2-hour community workshops where interim results of the analysis were shared with the 30+ member stakeholder group and their input solicited regarding which **housing priorities** and **tools** Buckhead should consider. Participants identified priorities and provided strategic direction and preferences for the range of tools available to meet priorities and needs. Feedback from each workshop informed the final assessment of housing market conditions and recommendations.

# THE INTERSECTION OF HOUSING AND TRANSPORTATION

**Buckhead's economic success has led to significant congestion challenges as the area grapples with its growth as a regional employment center.** The area's traffic problem is not a secret – a 2016 report by Arcadis found that traffic grew by 76% since the Great Recession (2009).

A large part of this traffic comes from the housing and job mismatch in Buckhead. **There are 10.1 jobs in the area for every household** in Buckhead's core – and **within the larger study area only 8% of residents are employed within Buckhead's commercial core** – which means that 92% of workers commute from outside the Buckhead area. Most commuters to Buckhead drive – in single-occupancy vehicles. A recent survey of workers suggests that more than 70% of workers drive to work.

**This trend poses significant environmental and quality of life challenges as Buckhead's roads accommodate more and more drivers.** There are a variety of transportation demand strategies that can be used to address some of these challenges – many of which were outlined in the 2017 Livable Buckhead plan – including creating a more pedestrian-friendly environment and solving the last-mile link problem with the region's two MARTA rapid transit stations.

If large majorities of Buckhead's workers continue to commute to their jobs from outside the neighborhood, congestion will persist. Given Buckhead's unique urban character, amenities, and access to jobs, more than 30% of commuters would happily move to Buckhead were it not for the neighborhood's high rents - **Rents in Buckhead area are among the highest in the city and have seen a 19% increase since 2011.** There are approximately 18,000 service sector employees earning less than \$35,000 – compared to only 1,500 units in Buckhead with rents that are affordable to them. If Buckhead can realign existing perceptions and ensure that housing is more accessible to the local workforce, the community has the opportunity to **ensure a future that is more diverse and less congested.**

Traffic counts have grown by **76%** in Buckhead since the Recession (2009).

There are **10.1** jobs in the area for every household.

**92%** of Buckhead workers commute in from outside the area.

Buckhead area rents have increased by **19%** since 2011.

**18,000** service sector workers earn less than \$35,000 and compete for **1,500** apartments that are affordable to them.

# BENEFITS OF BALANCED HOUSING IN BUCKHEAD

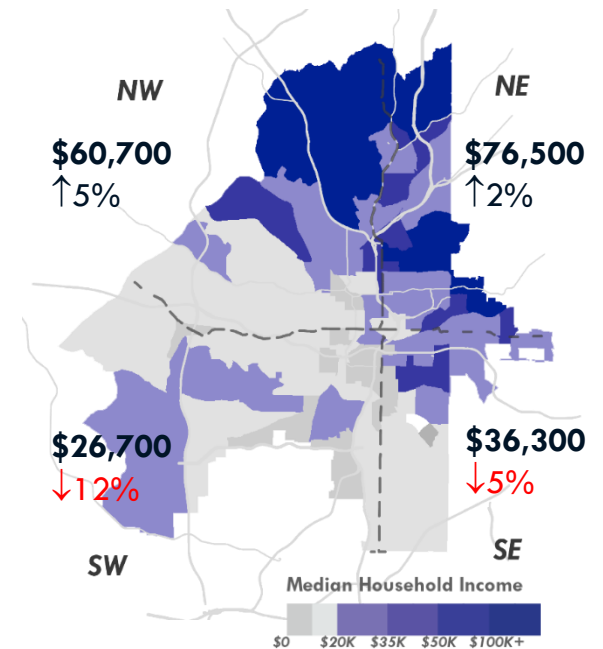
In extensive community engagement conducted by the City of Atlanta, we found that **access – ensuring that affordable housing is located in areas with quality transit, jobs, and schools – was the top housing priority for residents across the city.** Community members recognized that there is not a shortage of “affordable housing” in many parts of Atlanta – especially in communities of color that have been historically marginalized and hit the hardest in the foreclosure crisis.

Instead, there is a **lack of balanced housing options in communities of opportunity** – with access to rapid transit, high performing schools, and well-paying jobs.

Where we live matters. Numerous studies have found that giving residents access to areas of opportunity empowers families and the next generation to achieve success. When housing is located in segregated and impoverished areas, residents have fewer opportunities for mobility, poorer health, and even lower life expectancy. **In Buckhead, the life expectancy is 84 years, compared to just 72 years in West Atlanta** (*Stanford Social Innovation Review, from the Atlanta Regional Collaborative of Health Improvement*). Additionally, in North Atlanta, schools rank 80 or above out of 100 in Georgia’s College and Career Ready Performance Index (CCPRI), compared to schools that rank in the 50s in South and West Atlanta.

Although developing housing in established neighborhoods is expensive and requires policy interventions, such housing can be transformative for lower- and moderate-income families. **Buckhead has the opportunity to both reduce traffic and expand equity in Atlanta by finding ways for more of its workers to live in the area.**

## Median Household Income: 2010-2016



**+12 years**

**Buckhead residents have a life expectancy of 84 compared to 72 for neighbors in Northwest Atlanta**

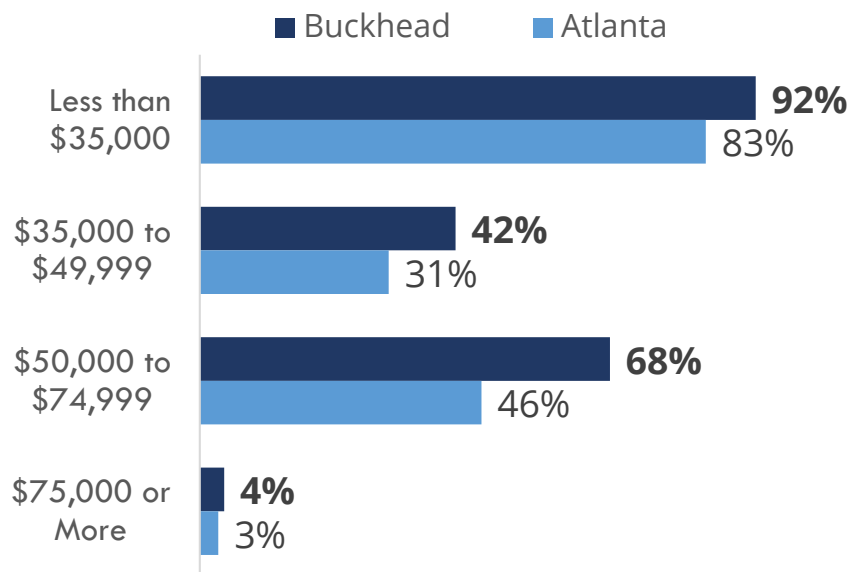


## KEY TAKEAWAYS | MARKET ANALYSIS

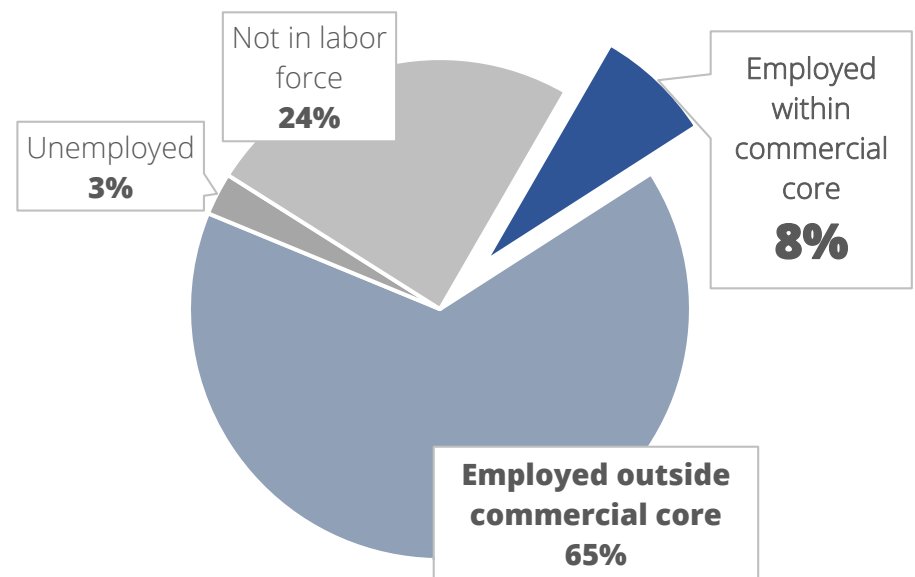
While Buckhead has become a considerably wealthier neighborhood since 2010, low- and moderate-income households living in Buckhead are likely to be severely cost-burdened and are more likely to struggle to afford housing than the average Atlanta resident. At the same time, Buckhead's workforce has expanded across all income bands with the greatest growth for middle-income workers. **Only 8% of Buckhead's workers live in Buckhead, while a vast majority live in suburban areas.**

Buckhead's existing housing supply primarily consists of multifamily rental units, which are surrounded by neighborhoods of single-family, largely owner-occupied homes. Buckhead is currently experiencing a period of significant development, and **the neighborhood's development pipeline will add over 5,800 units between 2018 and 2029. Approximately 90% of this pipeline development is priced to accommodate middle- and high-income households with incomes above \$50,000.**

### Cost Burden by Income: 2017



### Buckhead Residents by Employment Location



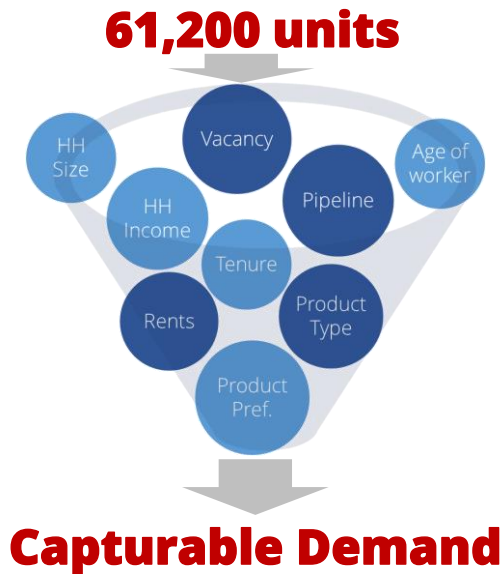
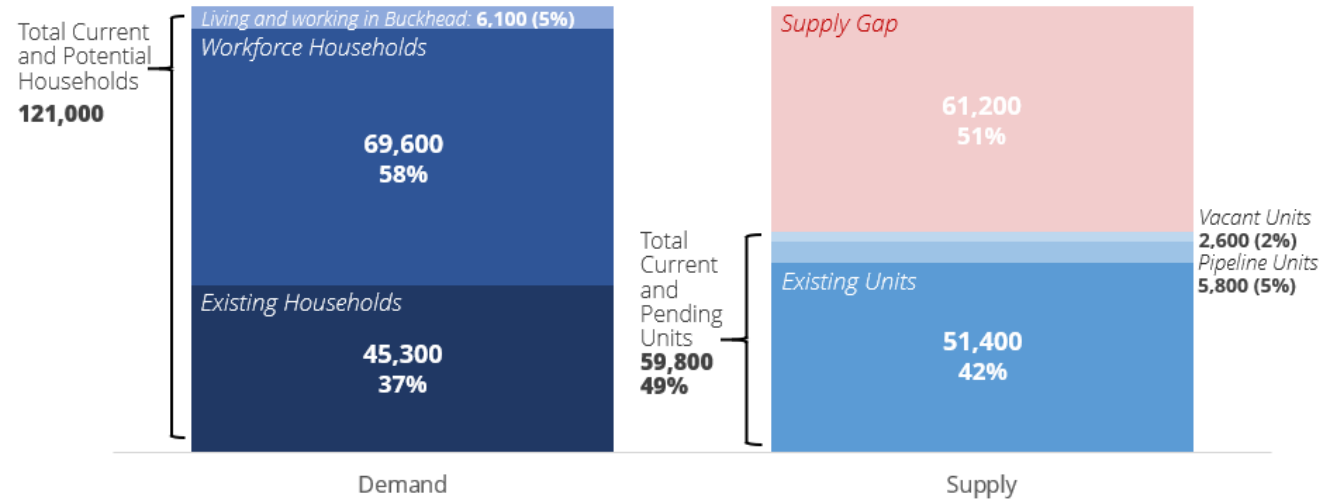
# KEY TAKEAWAYS | MARKET ANALYSIS

**Buckhead has insufficient housing to accommodate its entire workforce – the neighborhood would need to add over 61,000 units beyond the current development pipeline to accommodate its entire workforce.** However, many of these workers would be uninterested in moving to Buckhead in the near term due to home ownership elsewhere, children being currently enrolled in other school districts, and other factors.

In order to identify the share of workers most likely to want to move to Buckhead if given the opportunity (“capturable demand”), this study developed a set of factors that were assumed to correlate with a greater interest in moving to the types of units Buckhead is expected to produce in the future.

We adjusted demand by owner / renter status, age, and household size to establish a conservative capturable demand projection by income and price point.

## Total Potential Market: Buckhead Area Demand and Supply

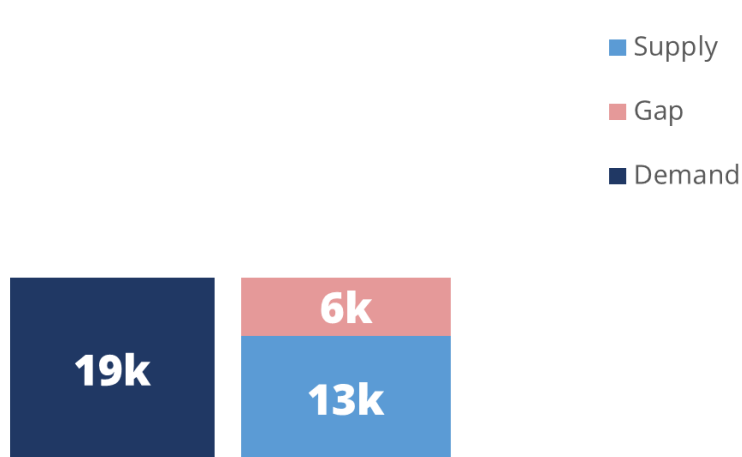


## KEY TAKEAWAYS | MARKET ANALYSIS

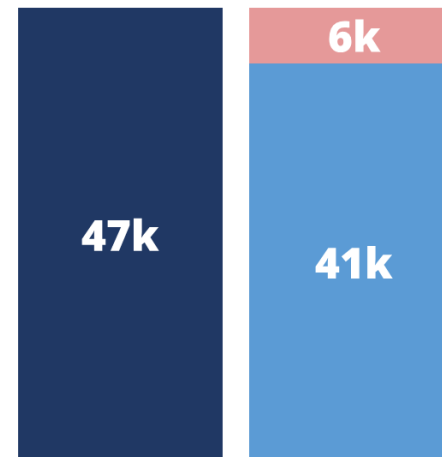
Our findings indicate that capturable demand is concentrated at the lower and higher ends of the market – though upper-income households often choose lower-cost housing. These findings help inform our strategy for housing moving forward – they reflect an opportunity to house more workers in Buckhead by:

- Encouraging more workers to live in existing housing; and
- Building new units that are in line with the capturable demand households' income and lifestyle profile.

**Capturable Demand**  
of Potential Low/Moderate-Income  
Households (**<\$50k, <\$1,250 per month**)

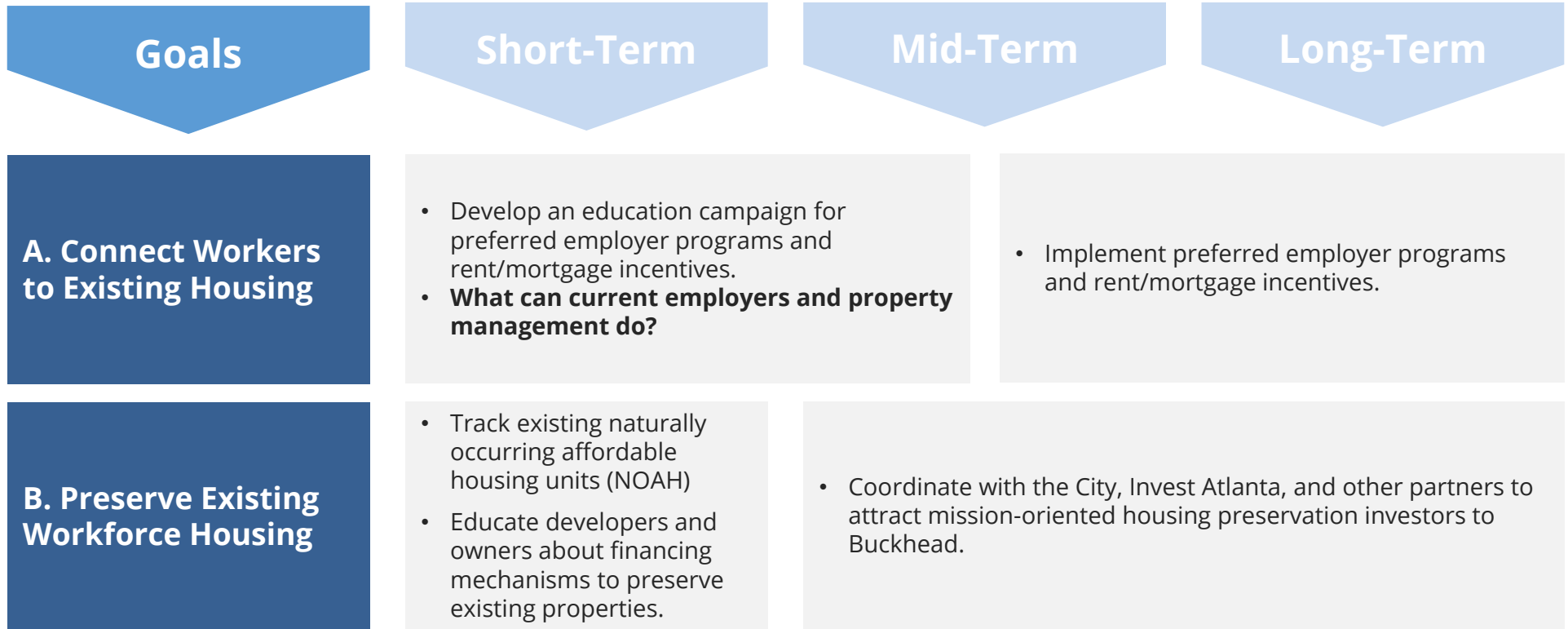


**Capturable Demand**  
of Potential Higher-Income  
Households (**Market Rate**)



# 1. ACCOMMODATE LOCAL WORKERS IN EXISTING BUCKHEAD HOUSING

Accommodating local workers in Buckhead is a critical part of the solution to Buckhead’s housing and transportation challenges. A range of programs and strategies can help workers of varying incomes identify and move into existing Buckhead units as well as new apartments.



## 2. BUILD NEW WORKFORCE HOUSING

Accommodating local workers in Buckhead is a critical part of the solution to Buckhead’s housing and transportation challenges. A range of programs and strategies can help workers of varying incomes identify and move into existing Buckhead units as well as new apartments.

Goals	Short-Term	Mid-Term	Long-Term
<b>A. Align housing with existing transit infrastructure</b>	<ul style="list-style-type: none"> <li>Expand soft-site analysis to identify priority parcels—especially on MARTA and publicly owned land.</li> </ul>	<ul style="list-style-type: none"> <li>Work with MARTA to develop a bench of developers with the capacity to develop mixed-income housing.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with the City, Invest Atlanta, and other partners to attract non-profit and private investment for <b>workforce housing</b>.</li> </ul>
<b>B. Expand housing typologies</b>	<ul style="list-style-type: none"> <li>Market the potential demand shown in this report for co-living and micro-units in Buckhead</li> </ul>	<ul style="list-style-type: none"> <li>Consider working with national co-living firms to explore the potential of a pilot project in Buckhead.</li> <li>Encourage developers to build for a variety of household sizes—including families with 3+ people.</li> </ul>	
<b>C. Develop incentive programs</b>	<ul style="list-style-type: none"> <li>Advocate for expanding tax abatement to support both lower- and middle-income housing in Buckhead.</li> <li>Advocate for the expansion of Invest Atlanta’s Housing Opportunity Bond Fund to \$30k - \$50k per unit—the financial gap found in our analysis.</li> <li>Amend zoning to accommodate incentive zoning polices and/or payment into a housing fund.</li> </ul>		

### 3. REDUCE CAR COMMUTES FOR NEW WORKERS

Buckhead’s housing strategy must closely align with ongoing transportation initiatives to ensure that new resident-workers reduce overall congestion.

Goals	Short-Term	Mid-Term	Long-Term
<b>A. Enhance TDM Services</b>	<ul style="list-style-type: none"> <li>Continue to market existing subsidy programs</li> <li>Provide enhanced TDM services for employers and encourage transit, rideshare, and telework benefits</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with partner organizations in City and State to deploy regional and statewide strategies                             <ul style="list-style-type: none"> <li>Tax credits for employers that provide commuter benefits</li> <li>Commuter Trip Reduction Laws that require participation in commuter benefits programs</li> </ul> </li> </ul>	
<b>B. Plan and build for a less auto-oriented Buckhead</b>	<ul style="list-style-type: none"> <li>Ensure built environment is designed to prioritize the use of alternative commute modes and last-mile connectivity through:                             <ul style="list-style-type: none"> <li>Convening the Development Review Committee to ensure development is compliant with community goals;</li> <li>Developing physical improvements that prioritize transit, biking, and walking, and enhance Buc service to provide enhanced last mile connectivity; and</li> <li>Modify zoning codes to accommodate new technologies and strengthen participation in alternative commute programs.</li> </ul> </li> </ul>		
<b>C. Align regulatory tools to incentive non-car commutes</b>	<ul style="list-style-type: none"> <li>Advocate for a legal framework that requires residential and commercial buildings to unbundle parking costs from leases, and consider a focus group to determine whether current parking bundling practices are investor- or developer-driven</li> <li>Facilitate implementation of a shared parking program</li> </ul>		<ul style="list-style-type: none"> <li>Establish a regulatory environment that prioritizes alternative commutes by establishing a parking management fund/transportation benefit district</li> </ul>

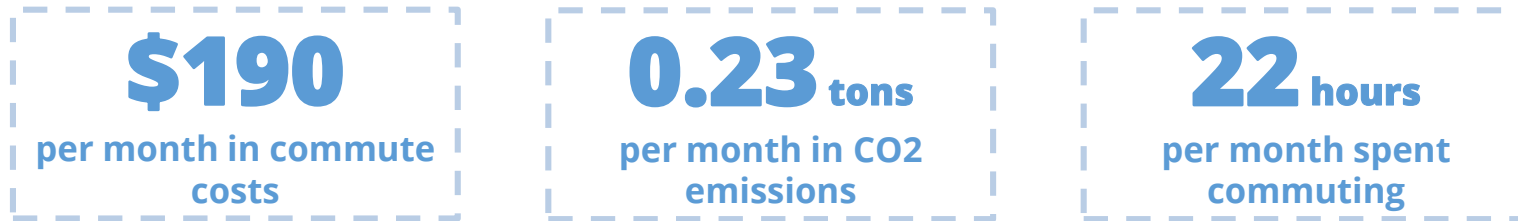
## POTENTIAL IMPACT

Each additional commute into Buckhead is expensive—in terms of financial cost, environmental externalities, and Buckhead’s livability. Reducing a significant portion of Buckhead’s commute traffic can reduce our carbon footprint, decrease gridlock, and reduce the burden of transportation costs on household budgets.

On average, commuters in Metro Atlanta drive 13 miles to work one-way



The cost per worker for each commute can be measured in different ways:



If Buckhead can house the 12,000 worker-households that we have targeted, the cost reductions are substantial:

	Percentage of non-car commutes		
	25%	50%	75%
<b>Commute miles reduced</b>	25M miles	44M miles	62M miles
<b>CO2 reductions</b>	23,200 tons	26,400 tons	29,600 tons
<b>Commute costs reduced</b>	\$19.5M	\$22.2M	\$24.9M

If a worker in Buckhead earning \$20 per hour commutes into work without a car, **she can save an additional 7% of her income** (while maintaining car ownership). If she drops monthly car payments of \$250, **her savings increase to 16% of total income.**

Sources: Bureau of Labor Statistics Consumer Expenditure Survey, Metro Atlanta 2017, LEHD OnTheMap, EPA Greenhouse Emissions Assumptions, State of Georgia Paycheck Calculator.

# Market Overview

Defining the Study Area

Current Housing Supply

Current Residents

Current Workforce

Gap Analysis

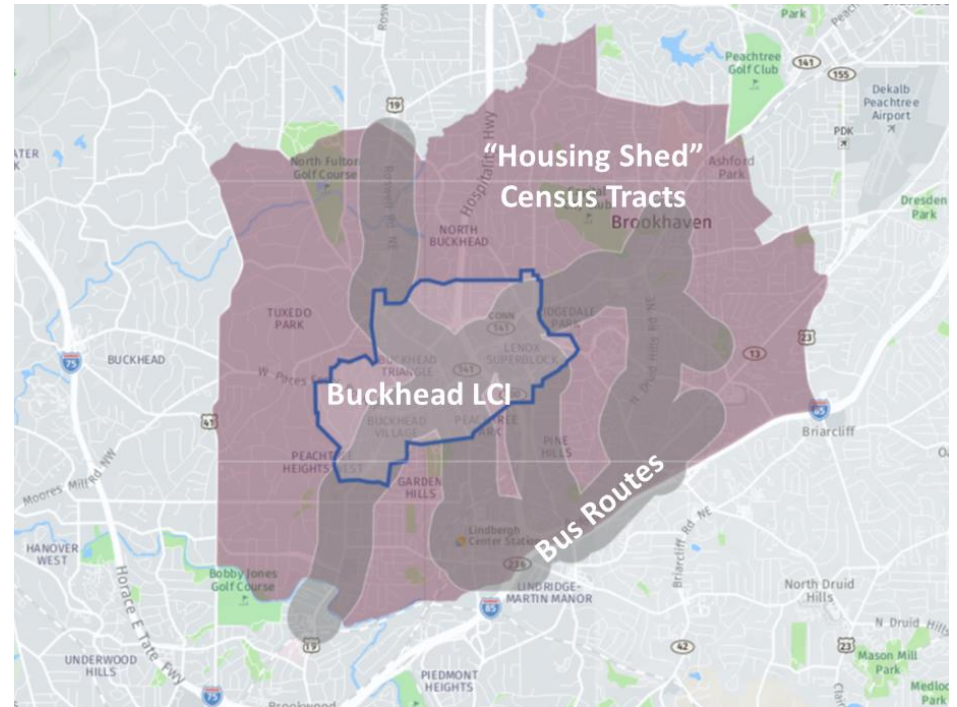


# MARKET OVERVIEW | DEFINING THE STUDY AREA

The housing study area was drawn using a larger catchment area that incorporates single-family and multifamily units accessible by existing bus routes.

Using available data sources, HR&A created a profile of existing supply for the census tracts in the study area, accounting for all housing supply that could be potentially reached by existing bus and MARTA routes into the commercial core. This led to the identification of a total of 20 census tracts. Within the Buckhead commercial core boundary, there are 75,700 workers; the larger housing shed census tracts contain 51,400 households.

## Study Area



## Workforce Study Area

**75,700**

Workers currently within the commercial core boundaries

## Housing study area

**51,400<sup>1</sup>**

Households currently in the greater housing shed, including:

- 40% in the commercial core, and
- 60% surrounding the core

1. Note: This number does not include vacant units.

# Market Overview

Defining the Study Area

Current Housing Supply

Current Residents

Current Workforce

Gap Analysis

## CURRENT HOUSING STOCK | BUCKHEAD HOUSING STOCK OVERVIEW

Buckhead is **dominated by multifamily rental units**, which are surrounded by neighborhoods of single-family, owner-occupied homes.



**68%**

Of all units in Buckhead are multifamily rental units.

Buckhead is experiencing a period of **significant development**.



**5,800 units**

17% increase of MF units in the pipeline between 2018 - 2029

Most of this development is priced to accommodate **middle- and high-income households**.



**87%**

Of the pipeline is priced to be affordable only for households earning \$50k+

Of Buckhead's multifamily housing stock, a majority of units are within communities which contain more than 250 apartments.



**2 in 3**

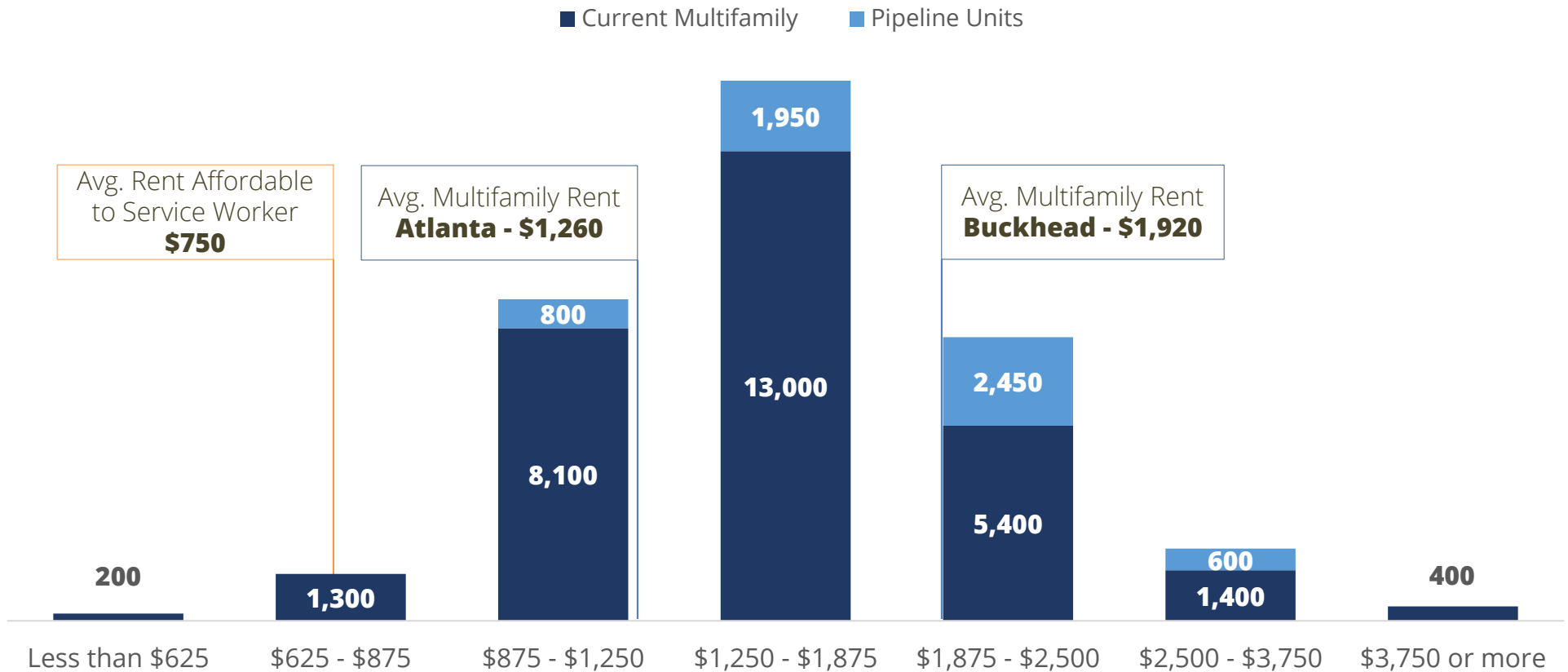
Multifamily properties have 250+ units

# CURRENT HOUSING STOCK | RENTS

Approximately 1 in 3 apartments in Buckhead currently rent for less than \$1,250 per month. New apartments are weighted towards the middle and upper portions of the market, with most units renting for more than \$1,875 per month.

Over 85%, or approximately 5,000 of the housing units in the development pipeline, will have rents higher than Atlanta's current average multifamily rent of \$1,260. Out of the 5,800 units in the pipeline, over 50% will have rents higher than the current average multifamily rent of \$1,920 in Buckhead. The distribution of Buckhead multifamily units is primarily concentrated in the 13,000 units with rents between \$1,250 and \$1,875.

**Multifamily Units in Buckhead by Rent - 2018**



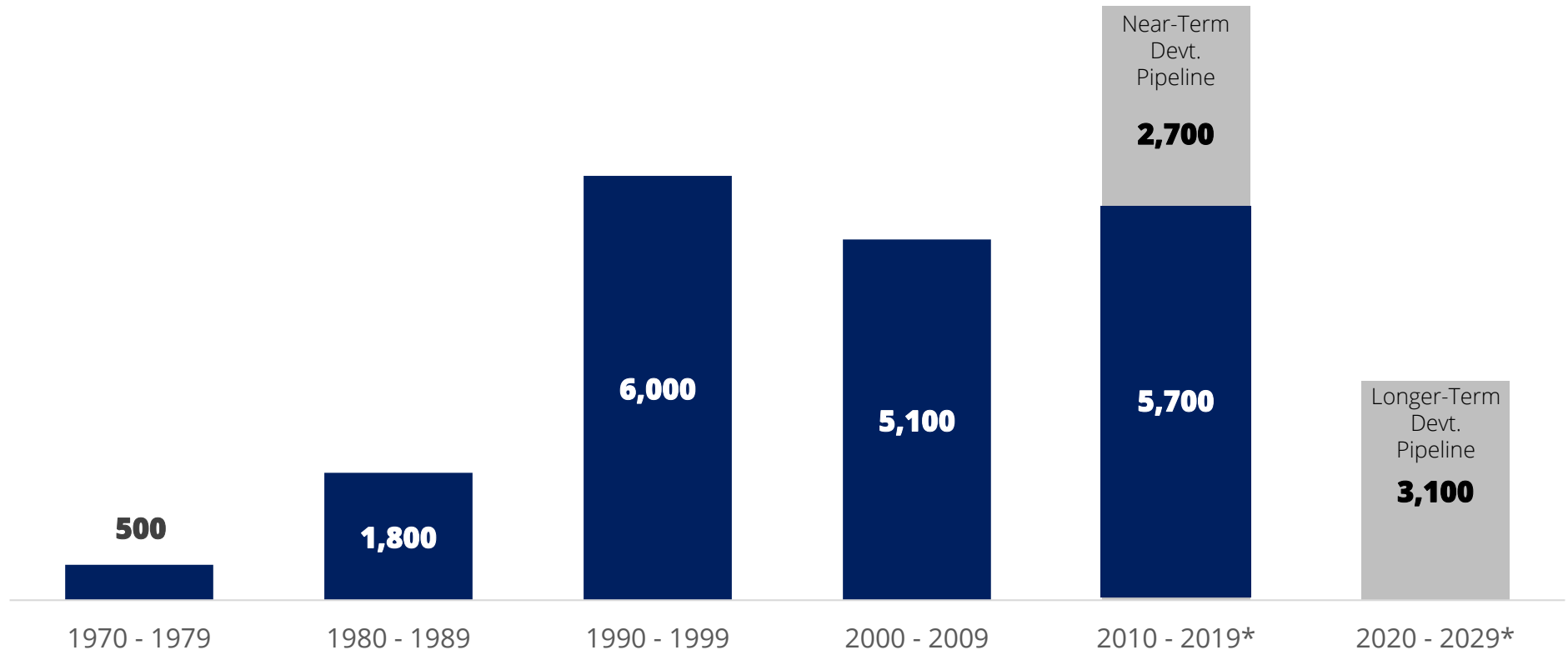
1. Note: The above chart includes only multifamily rental units.

# CURRENT HOUSING STOCK | DEVELOPMENT TIMELINE

**Buckhead housing production has been healthy since the end of the recession, with another 5,800 units set to be completed.**

Since the end of the recession, Buckhead's total multifamily inventory has continued to grow. Between 2010 and 2019, an additional 8,400 multifamily units are expected to be added to the existing inventory. Moreover, the longer-term pipeline contains an additional 3,100 units to be built by the end of 2029. As the multifamily market cycle begins to soften, future projects may be stalled until market conditions become favorable.

**Multifamily Units Delivered by Decade: 1970 - present**



Source: CoStar \* Includes pipeline product

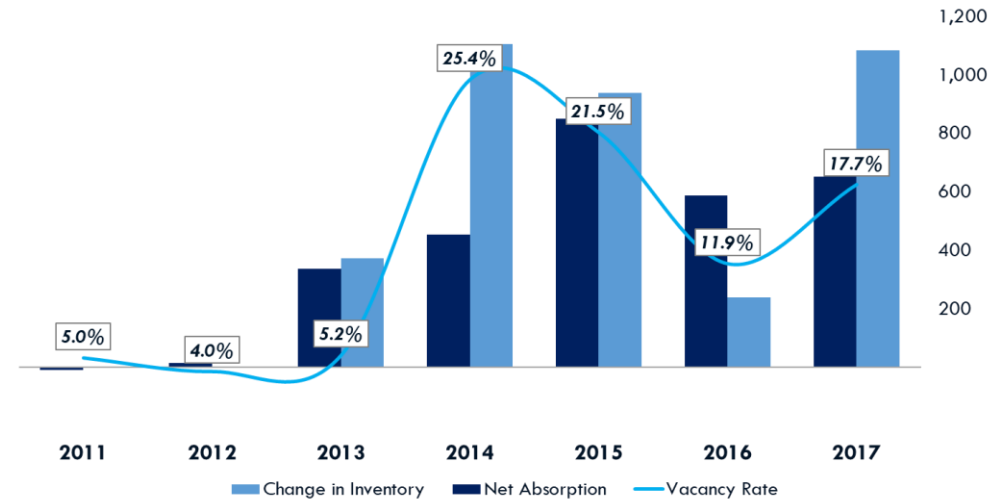
# CURRENT HOUSING STOCK | LUXURY HOUSING PRODUCTION

In line with national and citywide trends, a majority of housing built since the recession has been geared towards the Class A luxury market in Buckhead.

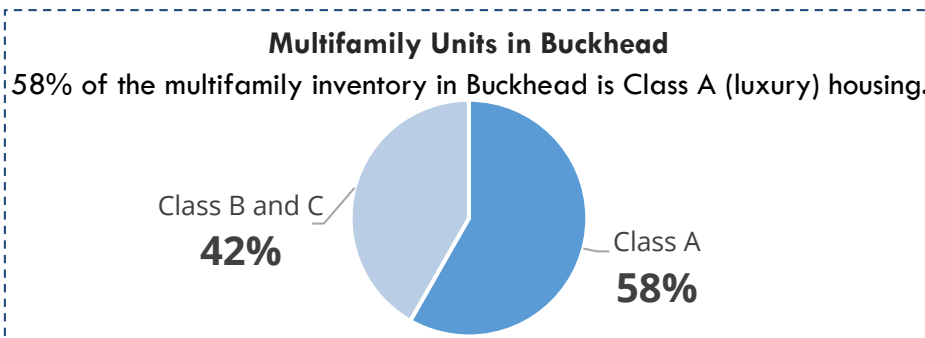
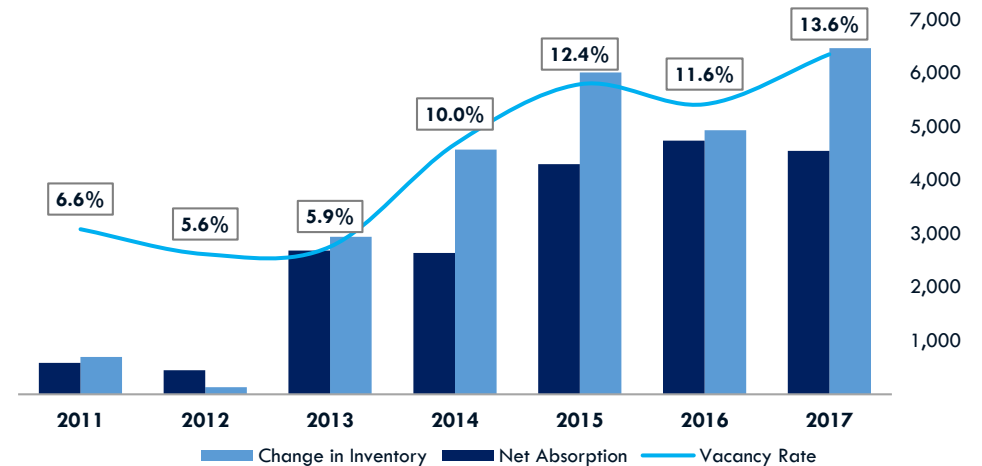
In both the City of Atlanta and Buckhead, the Class A multifamily market has experienced consistently positive net absorption and growth in inventory. Between 2010 and 2017, Buckhead added a total of over 3,700 Class A units to its inventory. In 2017 alone, 1,000 Class A units were delivered in Buckhead, and approximately 650 units were absorbed.

Between 2010 and 2017, vacancy rates have ranged from 4% to 25% in Buckhead, most likely due to the post-recession boom in high-rise development, and from 6% to 14% in Atlanta's Class A multifamily market. In both markets, the **asking rent per unit has grown steadily, with an average annual growth rate of 7% in Buckhead and 6% in Atlanta** between 2010 and 2017. Concurrently, the average square footage of the inventory has decreased slightly in both markets within that timeframe.

Buckhead: Class A Multifamily Change in Inventory and Absorption



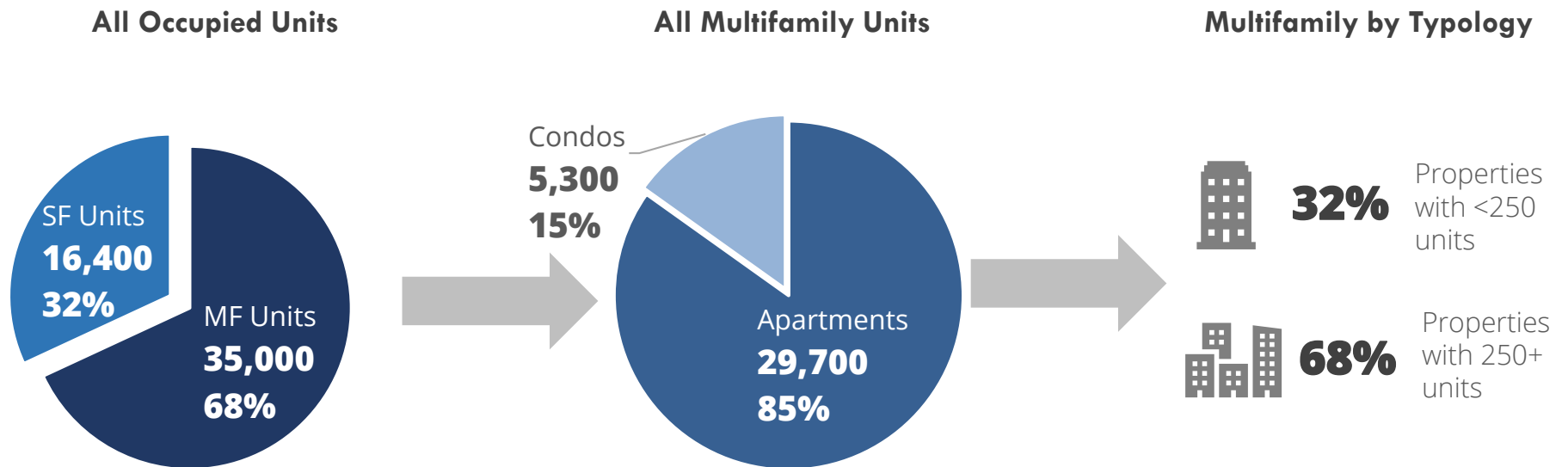
City of Atlanta: Class A Multifamily Change in Inventory and Absorption



# CURRENT HOUSING STOCK | EXISTING UNITS

**Buckhead's housing stock is heavily weighted toward large multifamily buildings, most of which contain more than 250 apartments.**

Multifamily units in Buckhead account for 68% of all occupied units while single-family units account for the remaining 32%. Of the multifamily housing units, a significant majority are located in apartments rather than condos. Nearly 70% of Buckhead's multifamily buildings contain more than 250 units.



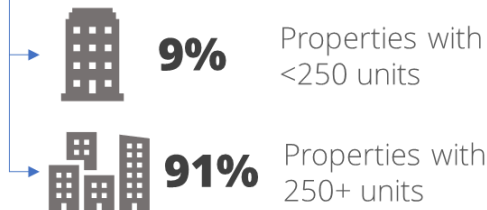
# CURRENT HOUSING STOCK | PIPELINE UNITS

The current development pipeline will add over 5,800 units, weighted even more heavily toward large buildings with smaller units.

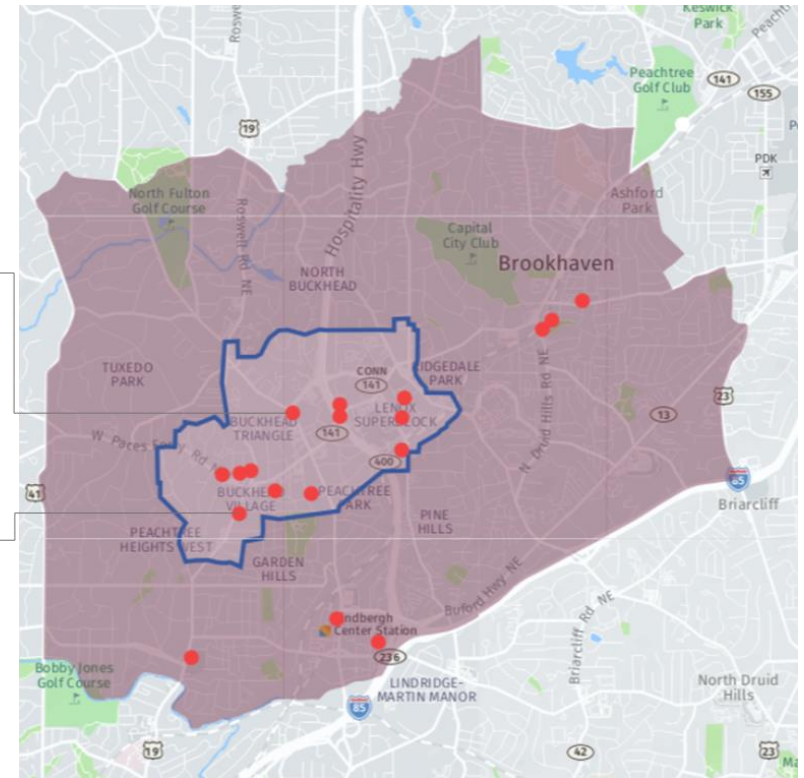
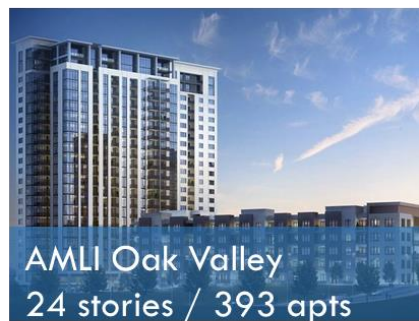
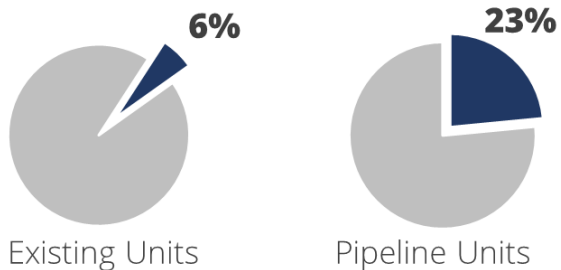
In accordance with the current housing stock which is heavily weighted towards large multifamily buildings, 91% of the pipeline will add units in properties with more than 250 units. Furthermore, 23% of the pipeline units will be studios, compared to the 6% of studios that exist in Buckhead's current housing stock. Two examples of projects in the pipeline include the Modera Buckhead and AMLI Oak Valley; both of these developments are high-rise buildings with nearly 400 units.

## Pipeline Units

**+ 5,800 units**



## Percentage of Studios





# Market Overview

Defining the Study Area

Current Housing Supply

Current Residents

Current Workforce

Gap Analysis

## CURRENT RESIDENTS | BUCKHEAD RESIDENTS OVERVIEW

Buckhead has **become a considerably wealthier neighborhood** since 2010.



**+5%<sup>HH</sup>**

Share of households that earn more than \$50k in 2016 compared to 2010

**Most residents work outside of Buckhead**, including those living in the larger housing study area.



**8%**

Of Buckhead residents also work in Buckhead<sup>1</sup>

Low- and moderate-income households living in Buckhead are **severely cost-burdened<sup>2</sup>**.



**70%**

Average share of income paid for housing for HH <\$25k

Since 2010, the **number of households** in Buckhead has **increased**.



**7%**

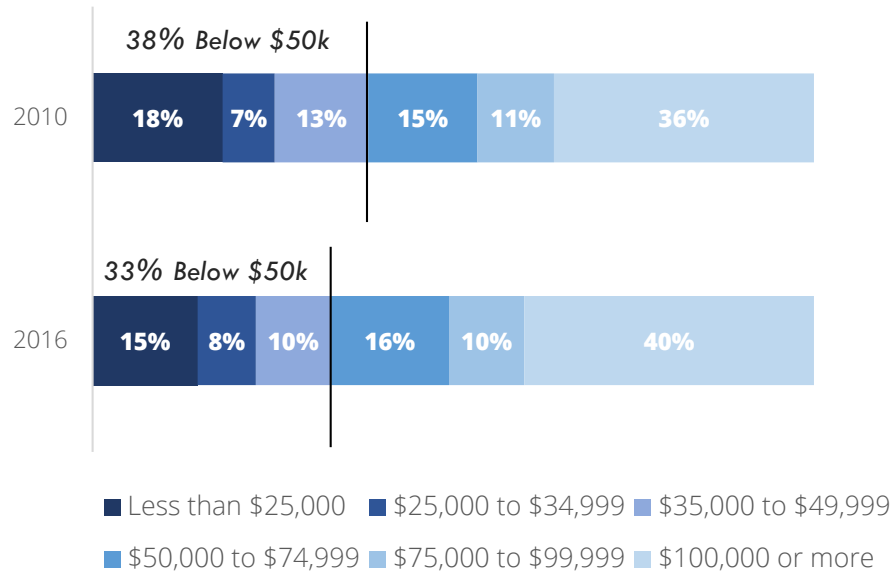
1. Coincidentally, 8% of Buckhead's workforce also lives in Buckhead.
2. Cost-burdened households refer to households that spend more than 30% of household income on rent.

# CURRENT RESIDENTS | POPULATION GROWTH

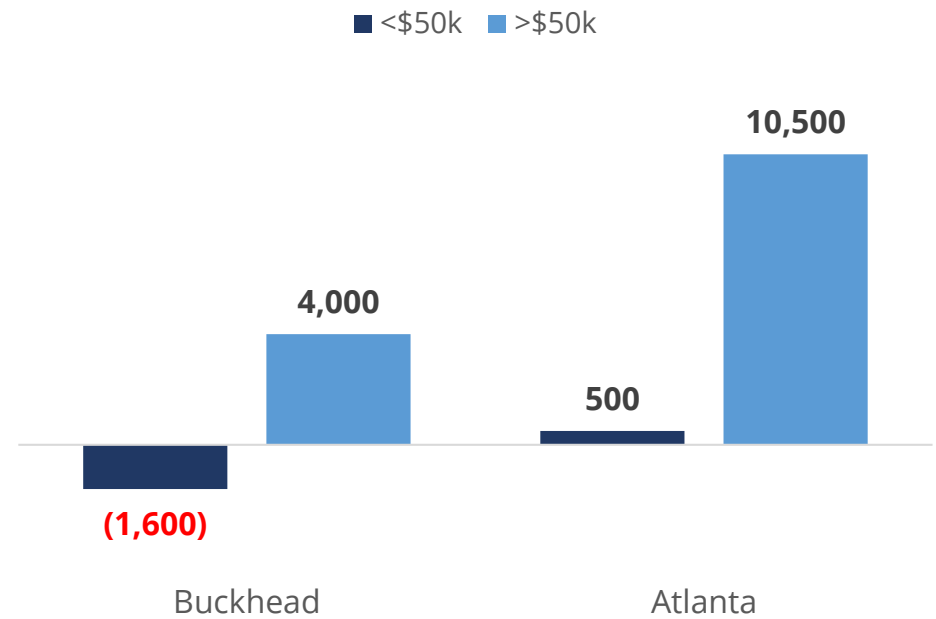
Between 2010 and 2016, the number of households in Buckhead has increased 7%, compared to 6% growth in Atlanta overall. Growth has been concentrated in higher-income households. Buckhead has led the city in the growth of upper-income households while shrinking its share of moderate- and low-income households.

While the number of households earning greater than \$50,000 annually has increased in Buckhead, the number of households earning less than \$50,000 has decreased. Buckhead accounts for a notable share in the overall growth in higher-income households citywide. Within these households earning more than \$50,000 annually, nearly 3,000 of those households have incomes greater than \$100,000.

**Buckhead Households by Income: 2010 - 2016**



**Change in Households by Income: Buckhead vs. Atlanta 2010 - 2016**



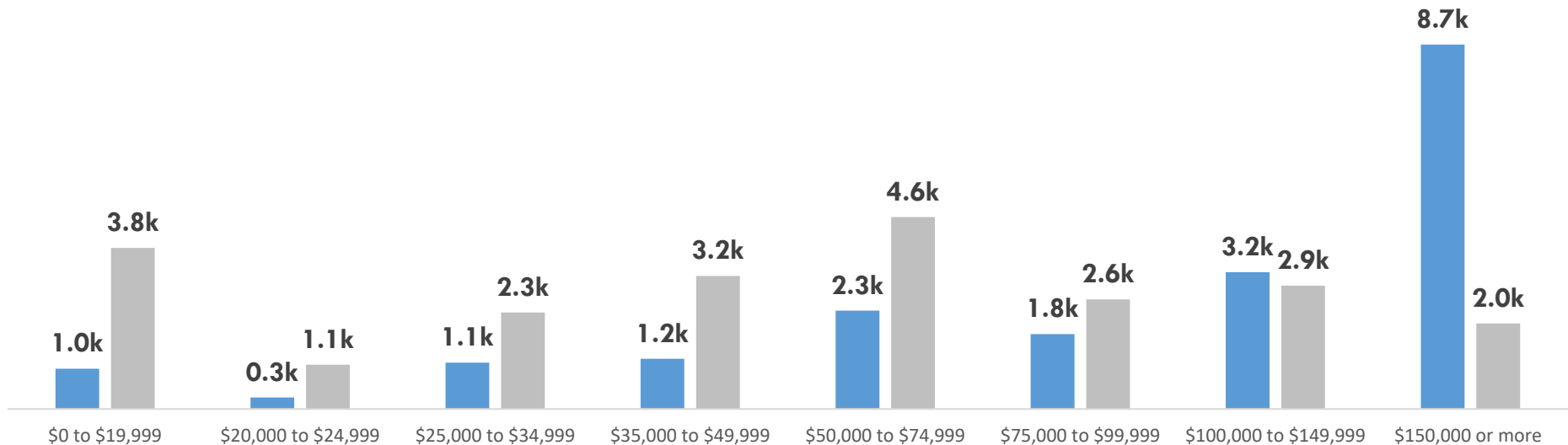
## CURRENT RESIDENTS | HOUSEHOLDS BY TENURE

**For Buckhead households with incomes above \$100,000, most housing units are owner-occupied. However, for Buckhead households with incomes less than \$100,000, most housing units are renter-occupied.**

Of the 16,800 units occupied by households with incomes greater than \$100,000, 70% are owner-occupied. Inversely, of the 25,300 units occupied by households earning less than \$100,000, 70% are renter-occupied. For households with incomes below \$50,000, the percentage of renter-occupied units further increases; nearly 75% of the housing units are renter-occupied.

**Households by Income - 2016**

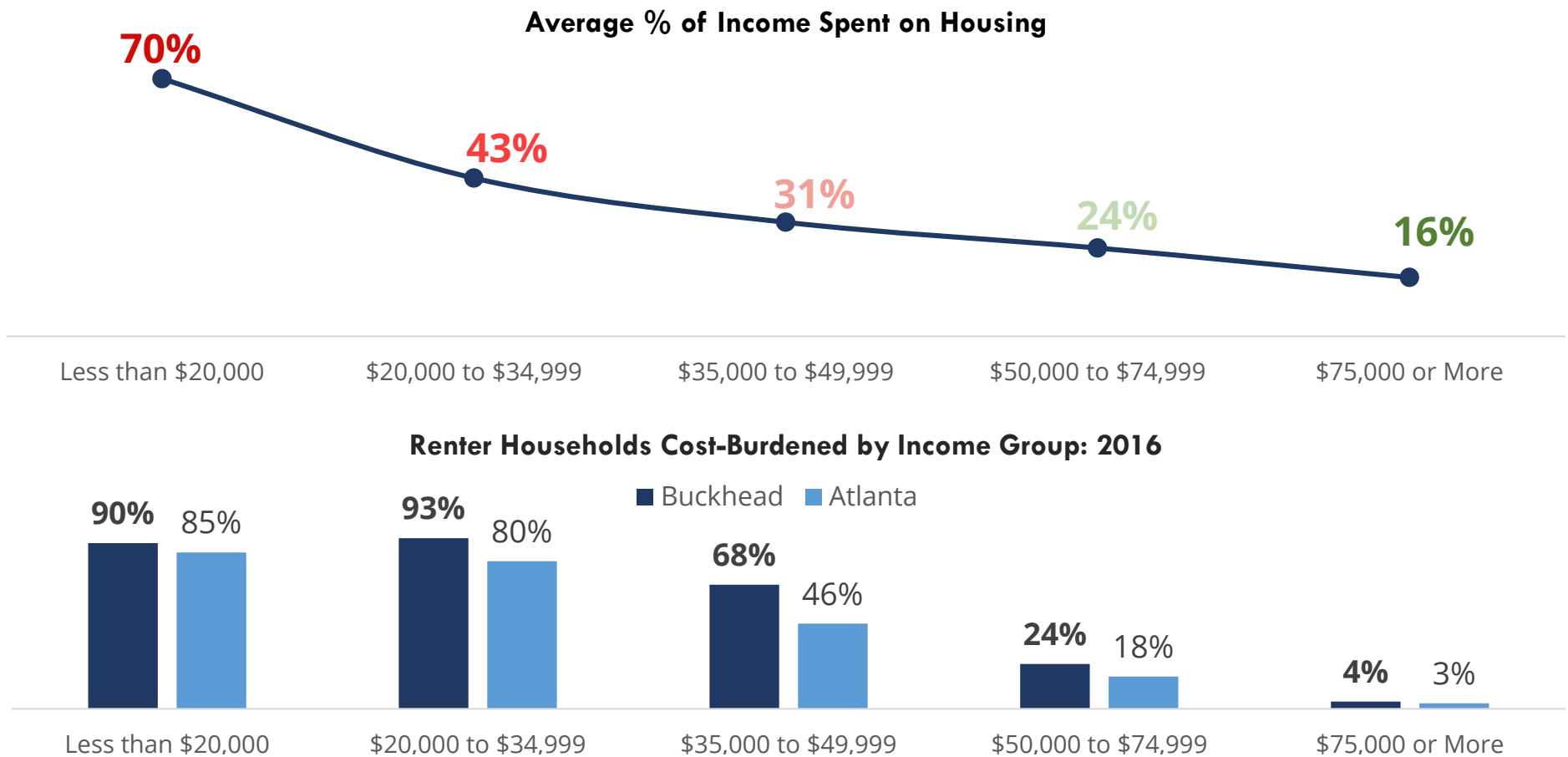
■ Owner Occupied   ■ Renter Occupied



## CURRENT RESIDENTS | COST BURDEN

**Buckhead residents across all income groups, and particularly middle-income residents, spend more on housing than the average Atlanta resident.**

In every income category, the percentage of cost-burdened renter households is greater in Buckhead than in Atlanta. Buckhead residents with incomes below \$50,000 are far more likely to be cost-burdened than average Atlanta residents. For renter households earning between \$35,000 and \$49,999, 12% more households are cost-burdened in Buckhead than in Atlanta. For this same income group, the average percent of income spent on housing is 31%, and almost 70% of renter households struggle to afford rent.

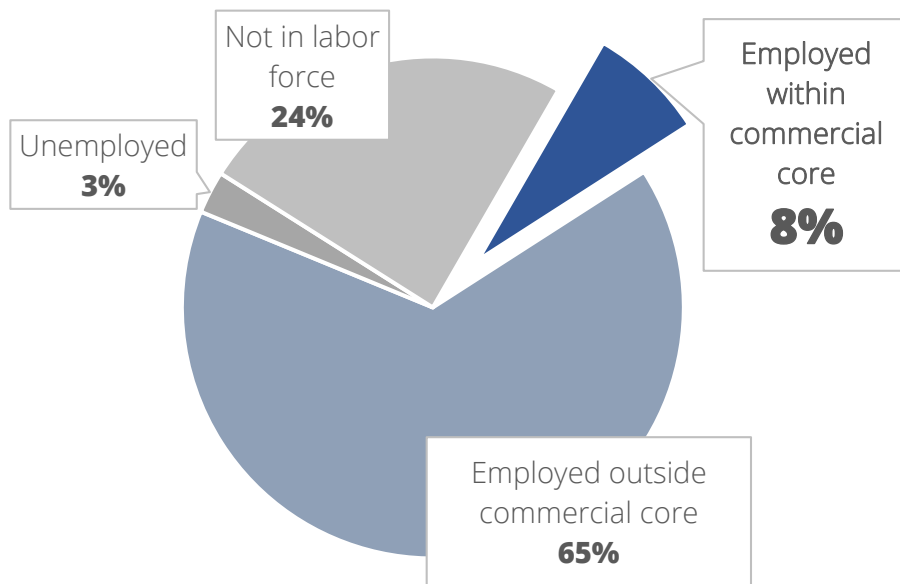


# CURRENT RESIDENTS | EMPLOYMENT PATTERNS

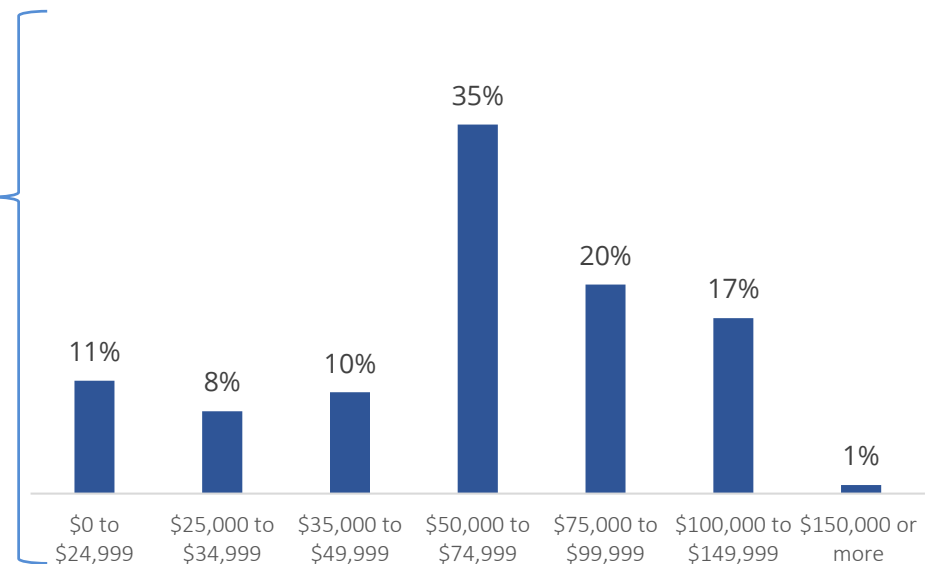
Only 8% of adults living in the greater catchment area are employed within Buckhead, while almost two in three commute somewhere else.

Of the 8% of the residents who both live and work in Buckhead, more than 70% earn more than \$50,000, and approximately 40% earn more than \$75,000. Of the Buckhead residents who are not also employed in Buckhead, 24% are not in the labor force, 3% are unemployed, and the remaining 65% are employed outside of Buckhead and commute elsewhere for work.

**Buckhead Residents by Employment Location**



**Buckhead Residents Working in Buckhead by Income**



# Market Overview

Defining the Study Area

Current Housing Supply

Current Residents

Current Workforce

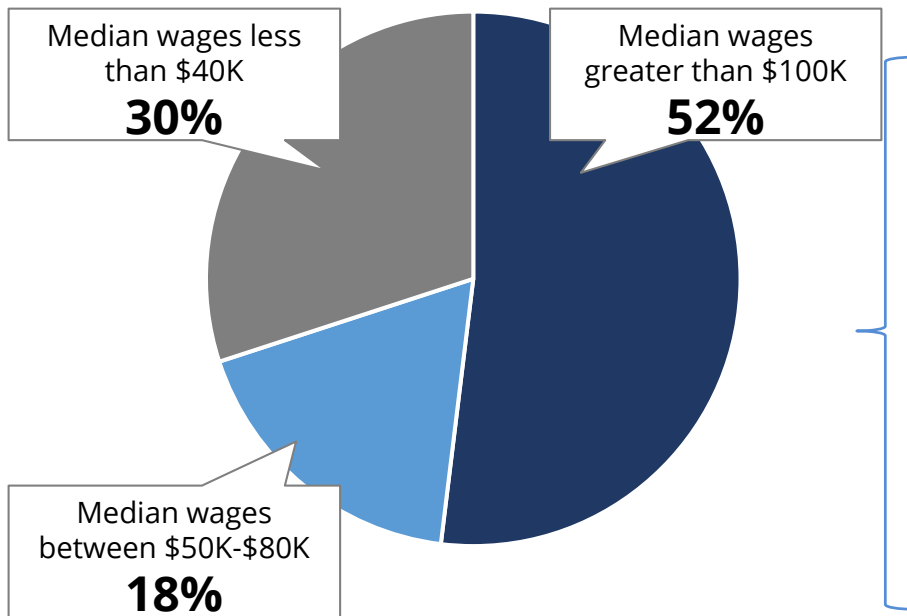
Gap Analysis

# CURRENT WORKFORCE | INDUSTRY PROFILE

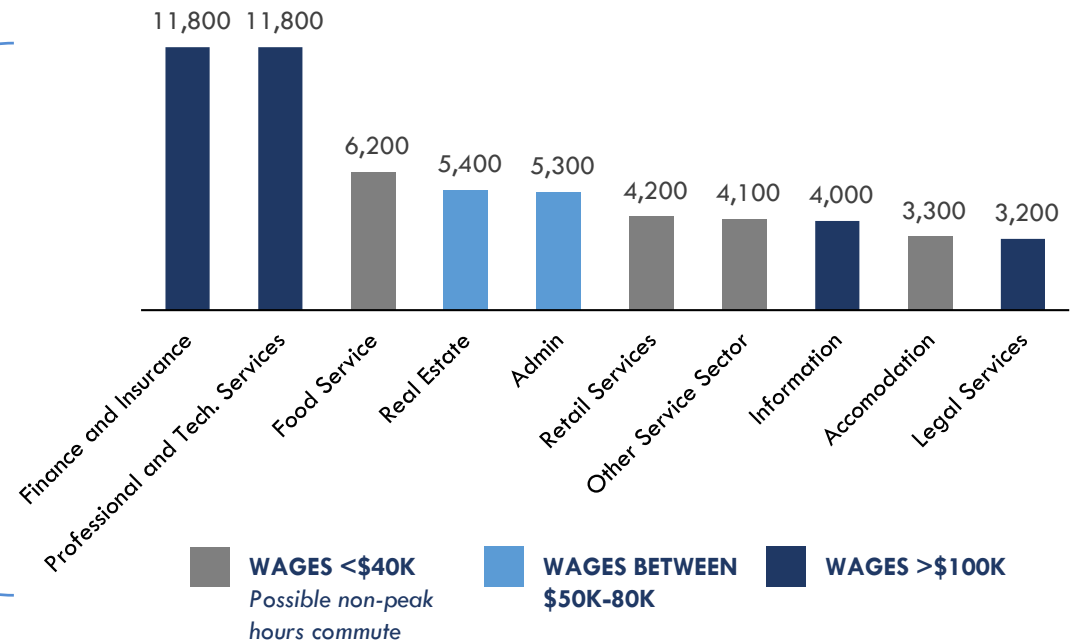
**Finance and insurance** and **professional and technological services** are the top two employment sectors in Buckhead.

Between these two sectors, there are approximately 23,600 employees. Of the top ten employment sectors in Buckhead, six sectors have median wages greater than \$50,000, and those six sectors collectively employ 41,500. A larger share of the 17,800 employees in the four sectors for which median wages are below \$40,000 (food service, retail services, other service sector, and accommodation) could be more likely to have a non-peak hours commute.

**Top 10 Employment Sectors: Median Wages (2018)**



**Top 10 Employment Sectors: Number of Jobs (Subset of Total Buckhead Jobs - 2018)**



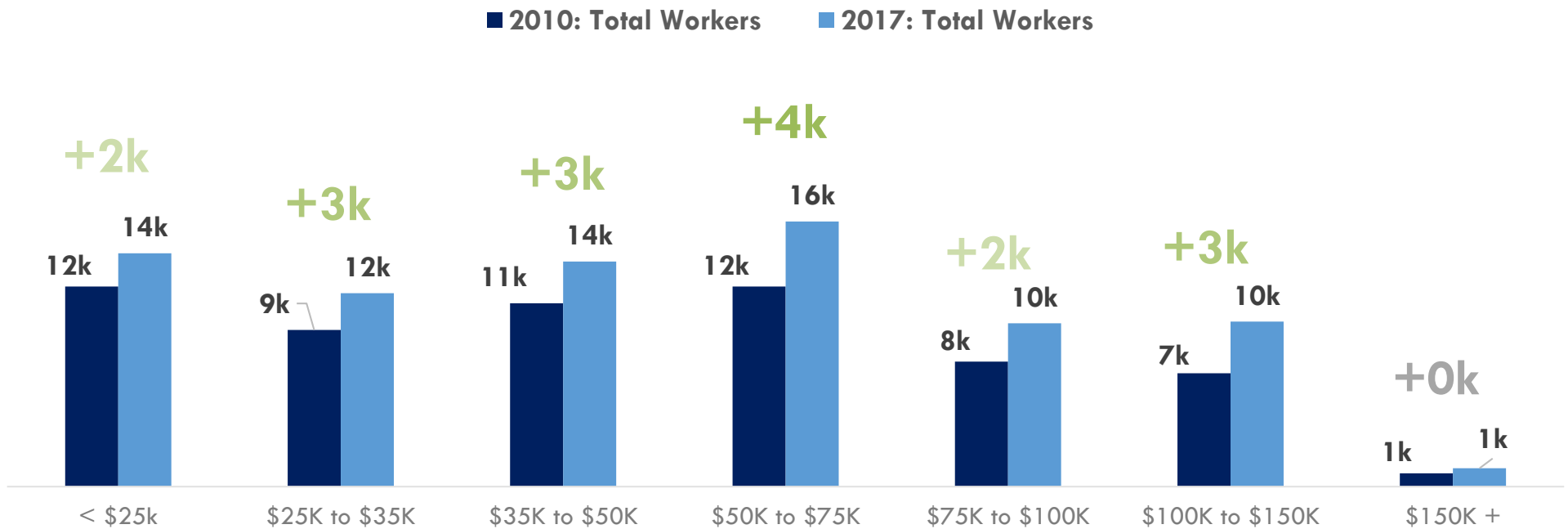


# CURRENT WORKFORCE | WORKER INCOME PROFILE

**Buckhead's workforce has expanded across all income bands, with the greatest growth for middle-income workers.**

In total, Buckhead's workforce grew by approximately 17,000 workers between 2010 and 2017. Buckhead's middle-income workforce expanded the most – workers earning between \$35,000 to \$75,000 increased by approximately 7,000, or 30% growth

**Workforce by Income: 2010 - 2017**

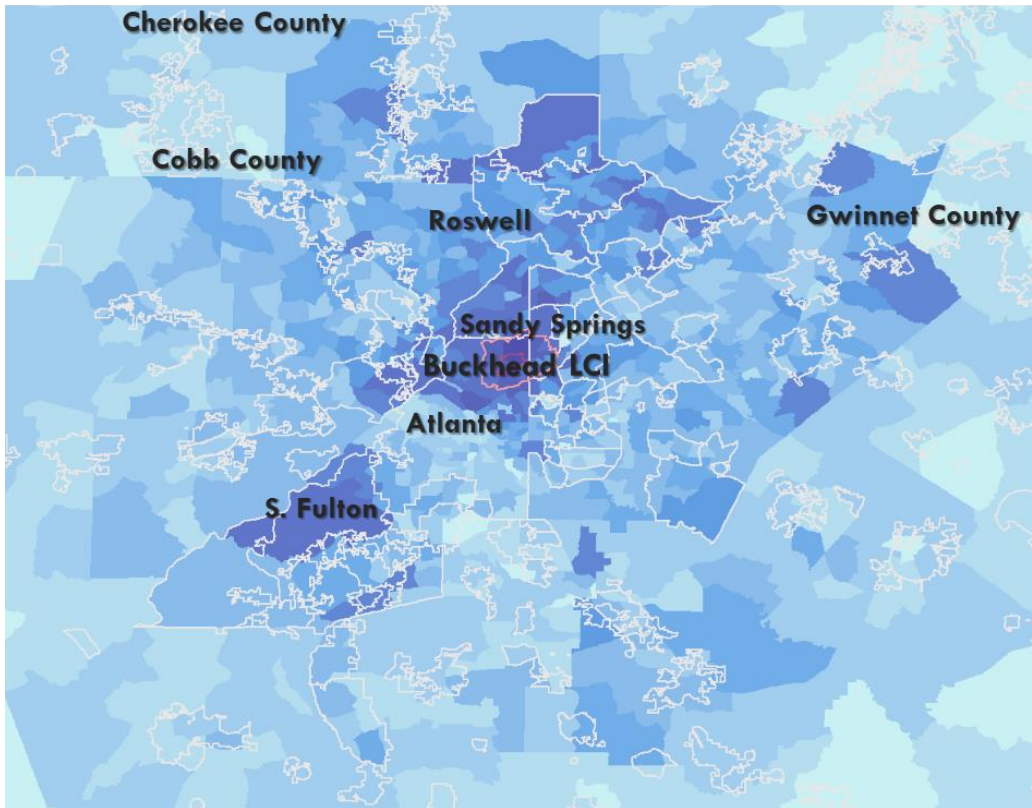


# CURRENT WORKFORCE | WORKER COMMUTING PATTERNS

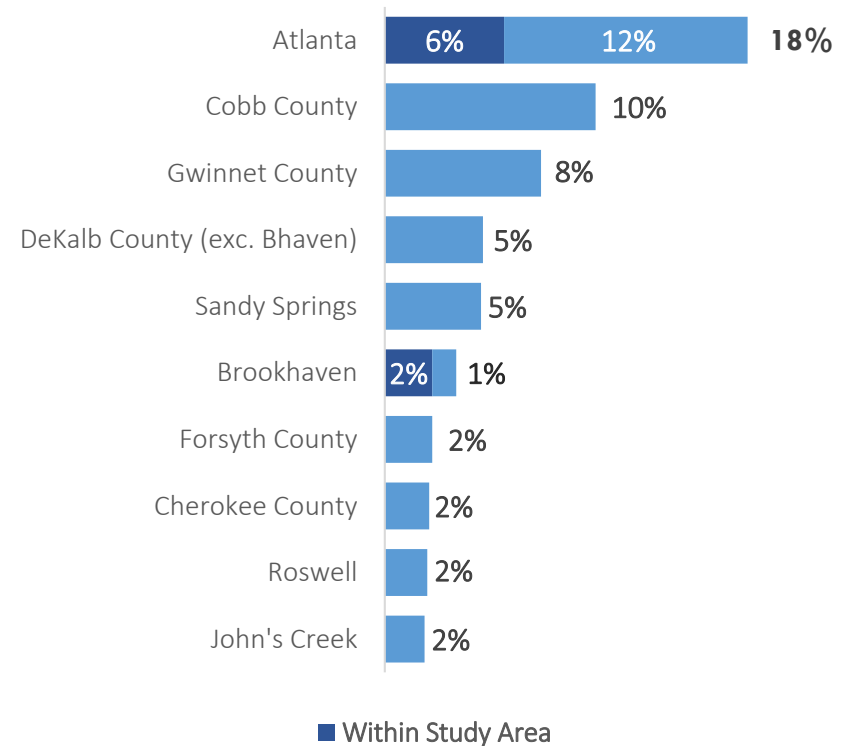
Almost a fifth of all Buckhead workers live within the City of Atlanta, with much of the rest commuting in from adjacent northern suburbs.

The majority of Buckhead workers commute from outside of the City of Atlanta. Based on the Buckhead Housing Commute Survey, approximately half of the survey respondents that work in Buckhead commute longer than 30 minutes from home to work.

**Buckhead Worker Origin Tracts**



**Workers by residence: Top 10 origin locations**

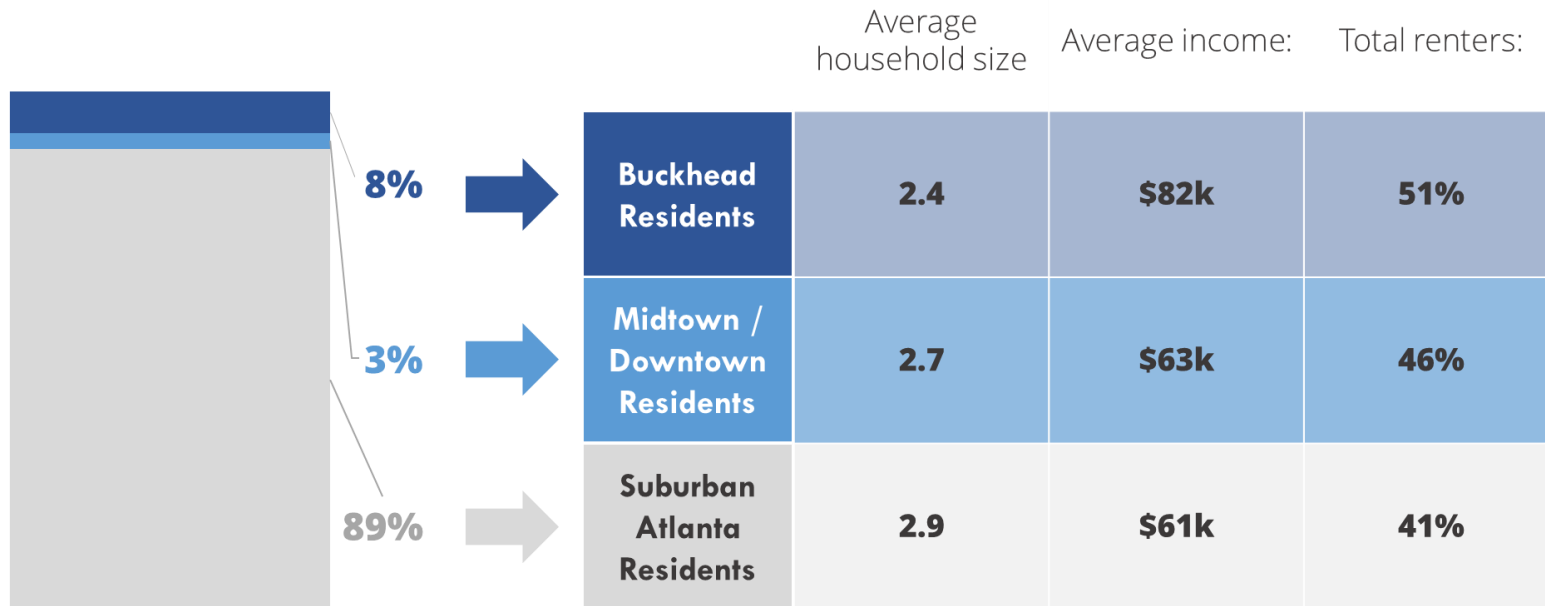


# CURRENT WORKFORCE | WORKER PROFILE BY RESIDENCE

**Only 8% of Buckhead’s workers live in Buckhead**, another 3% live in Midtown/ Downtown and the remaining 89% live in suburban areas.

Compared to Buckhead workers who live in Downtown/Midtown Atlanta or in suburban areas, the Buckhead workers who also live in Buckhead have the highest average income of \$82,000 and the smallest household size of 2.4. For the 3% of Buckhead workers who live in Midtown/Downtown Atlanta, the average household size is 2.7 people, and the average income is \$63,000. Finally, the vast majority of Buckhead workers live in suburban Atlanta, and these workers earn an average income of \$61,000 and have an average household size of 2.9.

## Break-Out of Buckhead Workers by Residence



# Market Overview

Defining the Study Area

Current Housing Supply

Current Residents

Current Workforce

Gap Analysis

# GAP ANALYSIS | DEMAND PROFILE AND HYPOTHESES

The objective of the Buckhead Housing and Workforce survey is to create housing options for workers who would otherwise not be able to live in Buckhead – and encourage them to live and work without relying on a car. To frame this analysis, we began with the following framing question:

## Which workers would be most interested in moving to Buckhead, assuming sufficient, appropriately-priced supply?

We began by developing profiles of workers that would like to live in Buckhead – based on empirical findings based on Buckhead’s current resident distribution, the distribution of residents in other urban centers in Atlanta (Midtown and Downtown), and survey responses from the 2018 Buckhead Workforce Survey.

These profiles were based on a series of observable variables like household size, income, vacancy, age of the worker, and product preferences. Based this analysis, our findings indicate that workers more likely to live in Buckhead are **younger, have smaller households, and are currently wealthier.**

This allowed us to develop the **capturable demand** population, which is then examined in the Action Plan section to answer the following questions:

- What are the financial and political tools required to house the capturable demand population in Buckhead?
- How can we ensure that this new product is marketed towards these workers?
- How can we encourage this new population to favor non-auto modes of transit?



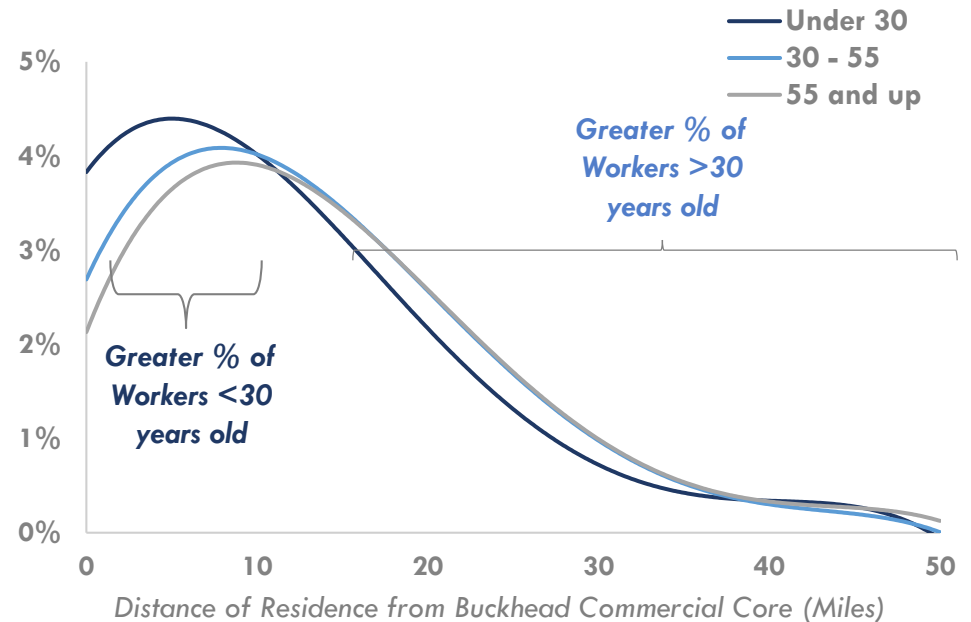
## GAP ANALYSIS | YOUNGER WORKERS

Currently, young Buckhead workers are more likely to want to live in Buckhead based on their comparative preference for multifamily housing, shorter commute times, and the current age distribution of Buckhead workers living in Buckhead. The adjacent graph shows that younger workers under the age of 30 are more likely to live within 10 miles of Buckhead than older workers. Almost 1 in 2 Buckhead workers under the age of 30 live within 10 miles, while less than a third of workers over the age of 30 live within the same distance. Younger workers are also more likely to live in Buckhead – 3 in 10 Buckhead workers living in Buckhead are under 30, compared to only 2 in 10 Buckhead workers living elsewhere.

Similarly, Buckhead workers also prioritize a shorter commute time than other age groups. Based on an estimate using PUMS data of commuter profiles across the region, the average commute for Buckhead workers under 30 is **27 minutes**, compared to more than 35 minutes for Buckhead workers older than 30.

Based on the results of the 2018 Buckhead Workforce Survey, younger workers also express a desire to move to multifamily Buckhead housing. 3 in 5 workers between the ages of 18 – 34 who wanted to move to Buckhead prefer multifamily homes compared to only 3 in 10 workers above the age of 35.

**Buckhead Workers by Age & Distance from Commercial Core**



**60%**

Of workers 18 – 34 who want to move to Buckhead prefer multifamily.



**30%**

Of workers 35 – 54 who want to move to Buckhead prefer multifamily.

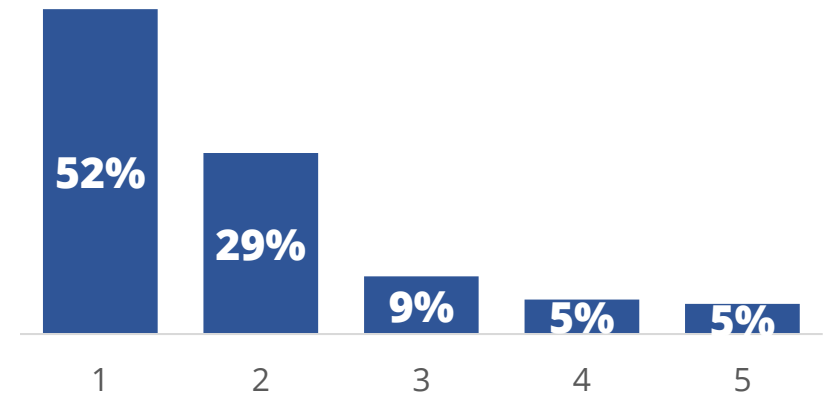
## GAP ANALYSIS | SMALLER HOUSEHOLD SIZE

Smaller households are more likely to move to Buckhead and also more compatible with the existing pipeline of generally smaller units.

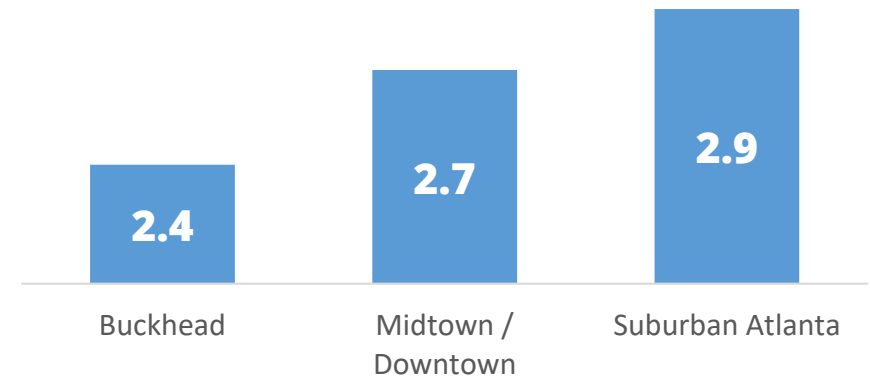
The majority of Buckhead renters who work in the neighborhood are in single-person households, with only 20% in households larger than 2 members. Although this may be a supply-driven outcome (new apartments being built tend to be smaller), focusing on attracting larger households to Buckhead would prove to be a costly venture – both for developers and for potential subsidy programs as apartments with additional bedrooms often have lower rents per square-foot. Additionally, workers in larger households may require amenities that other neighborhoods have a comparative advantage in including schools, parks, and other family-focused amenities.

Buckhead workers living in Buckhead live in some of the smallest average household sizes in the region. Buckhead workers living in Buckhead have an average household size of 2.4 people per household, compared to 2.7 for Midtown and Downtown and 2.9 across the suburban Atlanta region.

Existing Renters in Buckhead by Household Size



Average Household Size of Buckhead Workers by Origin



# GAP ANALYSIS | INCOME

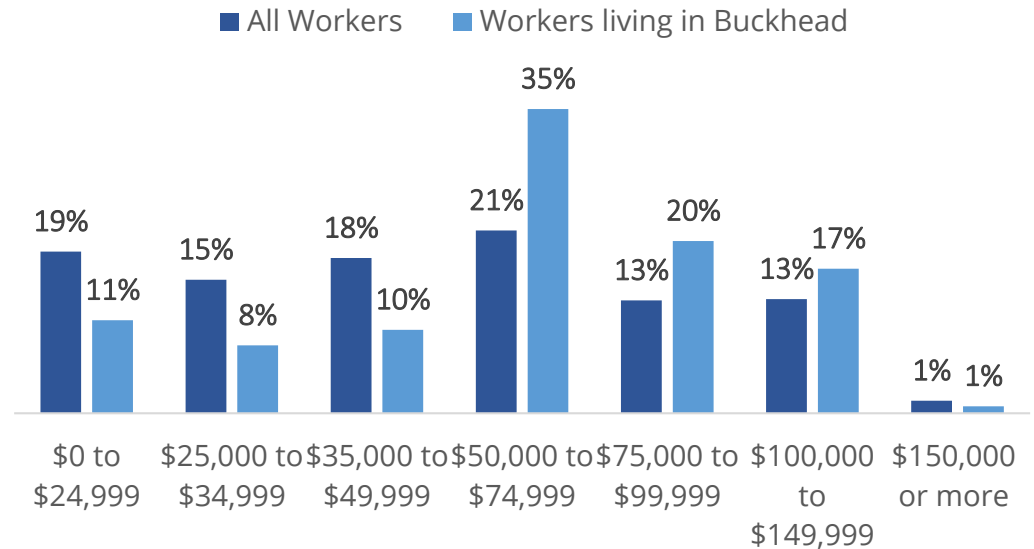
Wealthier workers are statistically more likely to live in Buckhead though this appears to be a function of **current supply rather than preference**.

1 in 2 Buckhead workers earn less than \$50,000, but these workers represent less than 30% of all Buckhead workers living in the area.

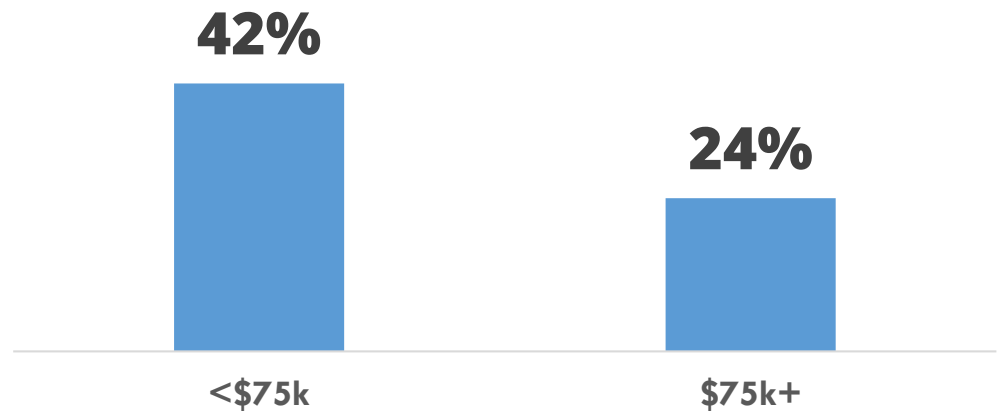
If Buckhead’s housing supply could accommodate workers with more modest incomes, **these workers would be highly interested in moving to the area**. The 2018 Buckhead Workforce Survey found that 24% of non-residents of survey respondents earning over \$75k expressed a strong desire to live in Buckhead, compared to 42% of those earning under \$75,000.

Young workers, workers in smaller households and low- to middle-income workers would be particularly interested in moving to Buckhead if given the opportunity.

**Buckhead Workers by Income**



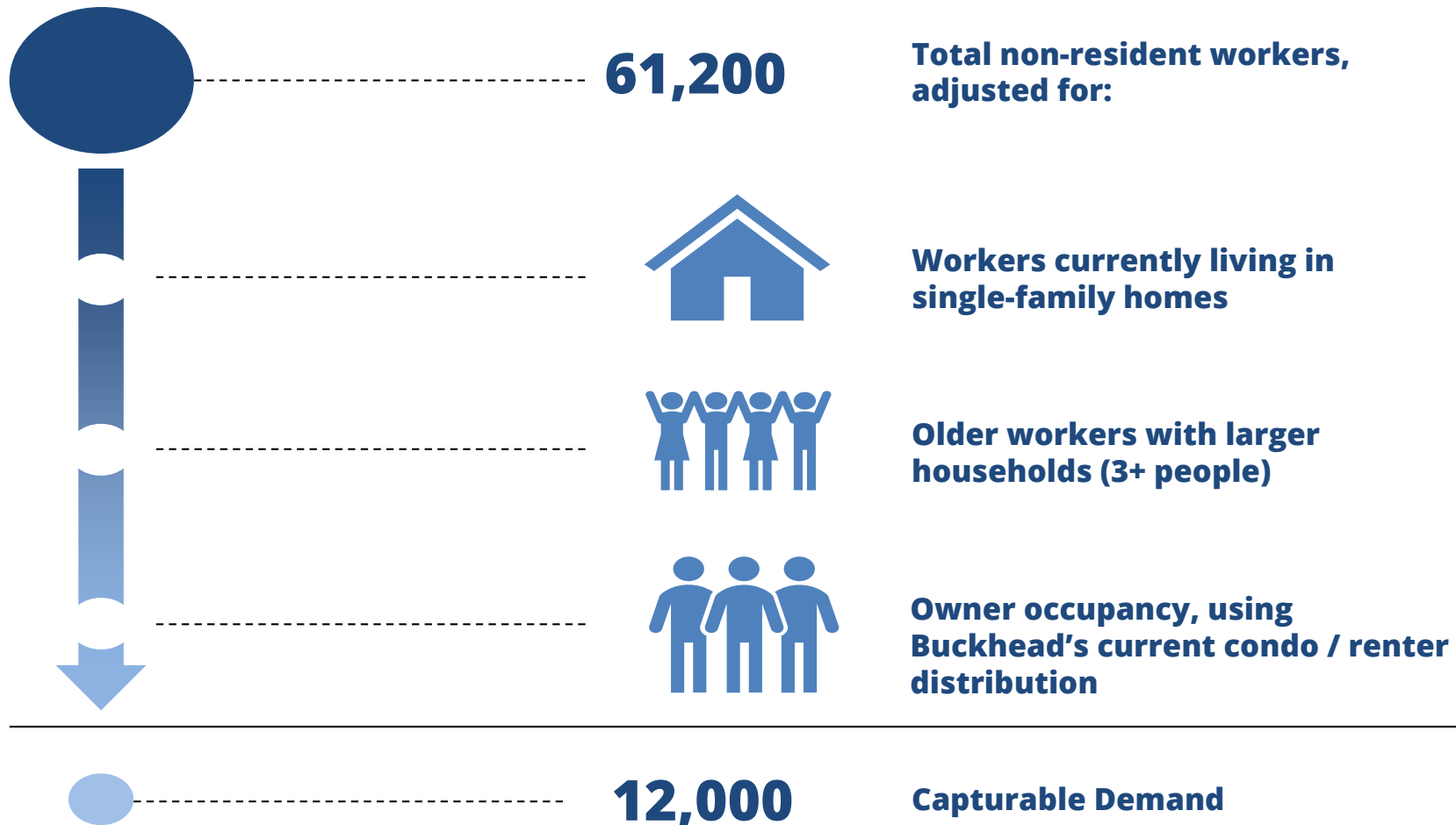
**Survey Results: Non-Resident Buckhead Workers Expressing Strong Desire to Live in Buckhead by Income**





## GAP ANALYSIS | ESTABLISHING CAPTURABLE DEMAND

The factors described above allow us to project **capturable demand** – the share of current workers with a particularly high likelihood and willingness to move to Buckhead if given the chance.



# GAP ANALYSIS | ESTABLISHING CAPTURABLE DEMAND

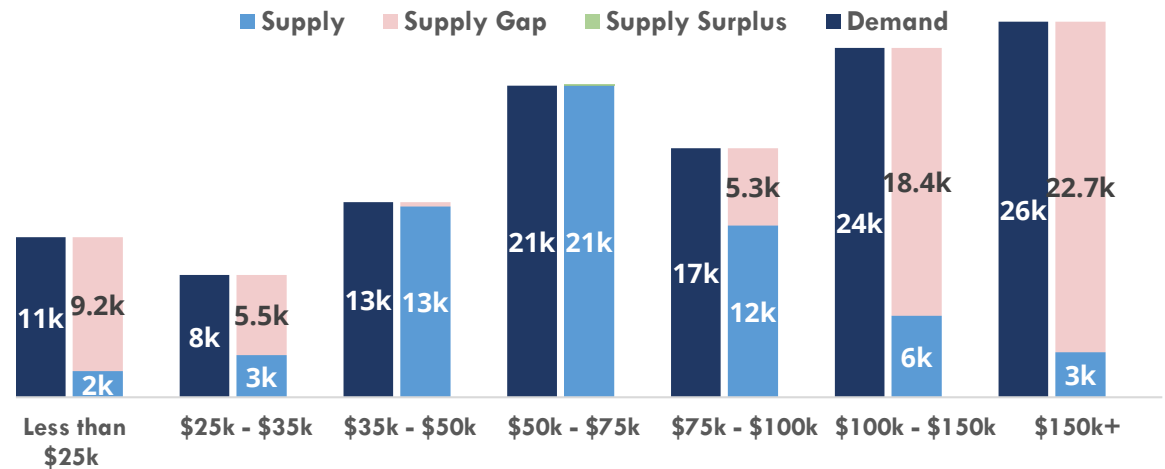
The supply gap by income band shows need at the lowest and highest price points – although many wealthier households choose less expensive housing options.

Assuming current single-family homeowners would be less interested in moving to Buckhead reduces the housing gap substantially.

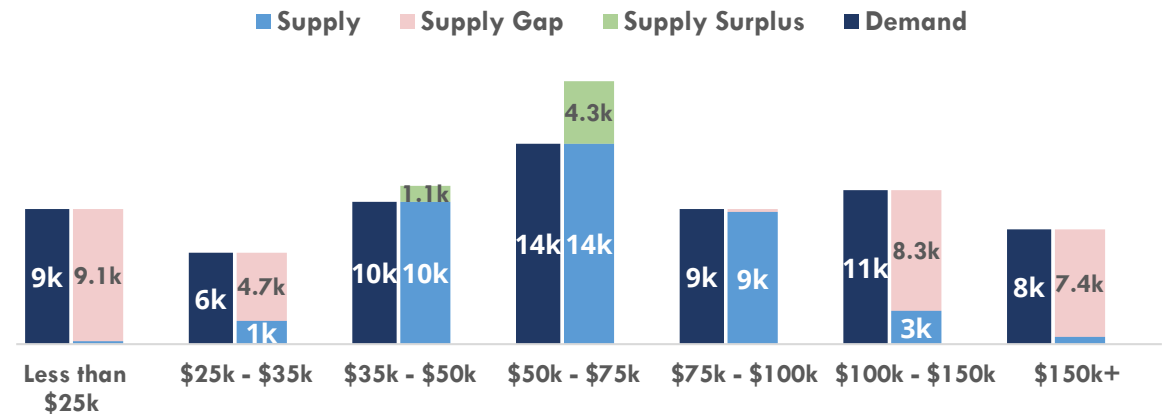
**Less: Workers currently living in single-family homes**



### Housing Supply vs. Affordability (Total Gap)



### Filtering out Single-Family Homeowners



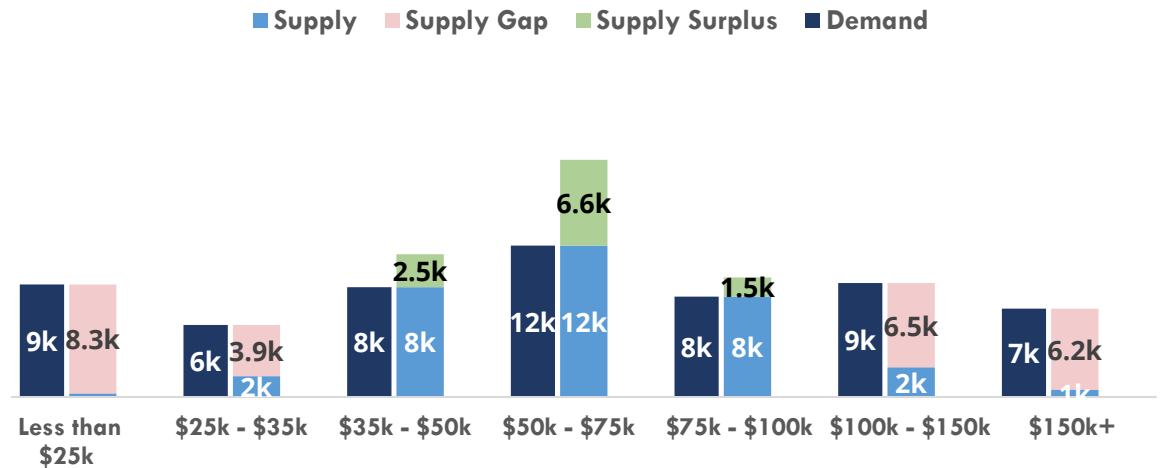
# GAP ANALYSIS | ESTABLISHING CAPTURABLE DEMAND

Young workers are more likely to want to live in Buckhead – reducing capturable demand by another 10,000 units to 14,000 units.

**Less: Workers older than 35**



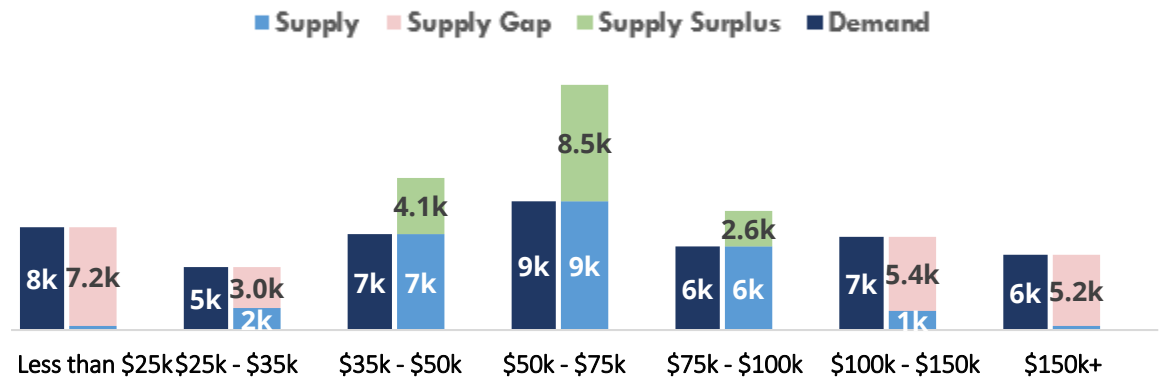
## Filtering for Age Groups with Highest Demand (<35)



## Filtering for Smaller Households and Tenure Type (Renters with < 3 household members)

Adjusting demand by current owner / renter status, age and household size establishes a conservative capturable demand projection by income and price point.

**Less: Owners and Renters with 3+ Household Members**

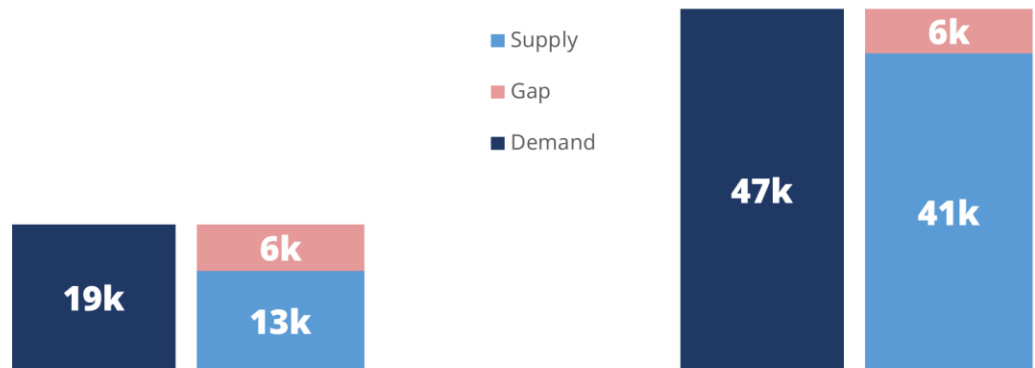
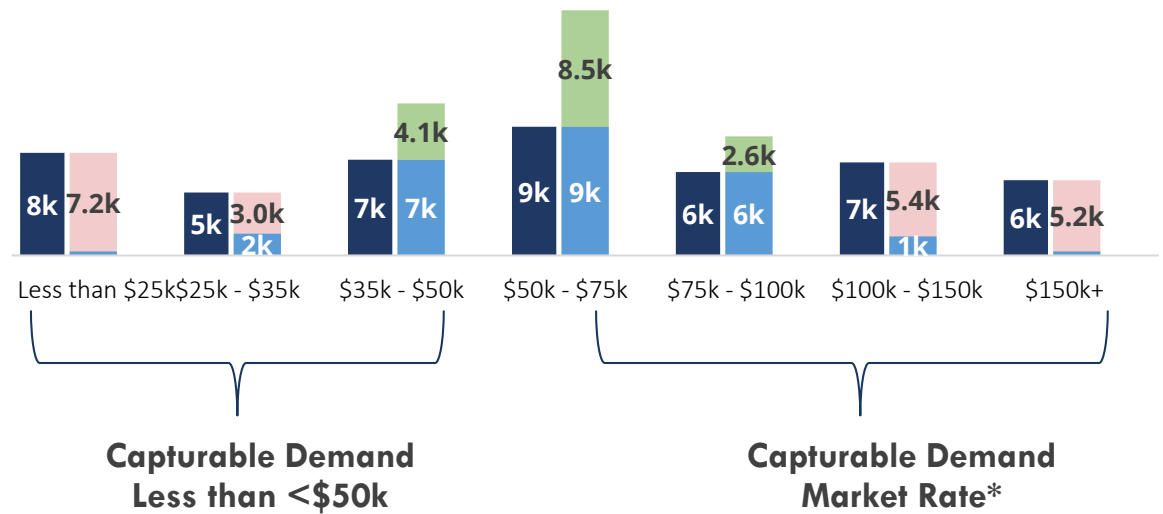


# GAP ANALYSIS | CAPTURABLE DEMAND

Our findings indicate that capturable demand is concentrated at the lower and higher ends of the market – though upper-income households often choose lower cost housing. These findings help inform our strategy for housing moving forward – they reflect an opportunity to house more workers in Buckhead by:

- Encouraging more workers to live in existing housing; and
- Building new units that are in line with the capturable demand households' income and lifestyle profile.

## Categorizing Demand by Capturable Targets:



\*Excludes a share of middle-income households for whom an excess of appropriately-priced units exists

# Action Plan

# KEY TAKEAWAYS | THREE RECOMMENDED STRATEGIES

We recommend a three-pronged strategy for Buckhead that must closely align with ongoing transportation initiatives to ensure that workers can be accommodated in Buckhead and ensures that new resident-workers reduce overall congestion.

**1 ACCOMMODATE LOCAL WORKERS IN BUCKHEAD** | An initial step in the Action Plan is to attract local Buckhead workers to live in the area and to accommodate these workers in existing housing. Strategies to attract and accommodate local workers include:

- Establishing preferred employer programs; and
- Facilitating mortgage or rent incentives.

**2 BUILD NEW WORKFORCE HOUSING** | Given the high demand of workers calculated in Buckhead overall, aligning workers' homes with their jobs will not be sufficient in isolation—housing that is affordable to Buckhead's workforce is also needed within the neighborhood. Some strategies to build new workforce housing include:

- Aligning new housing with existing transit infrastructure;
- Expanding housing typologies; and
- Developing incentive programs that result in increased workforce housing.

**3 REDUCE CAR COMMUTES FOR NEW RESIDENTS** | In anticipation of a growing local population, strategies to reduce car commutes and traffic congestion for both new and existing residents become particularly important. Public agencies, employers, and property managers can collectively enhance and provide policy support for both existing and additional transportation demand management strategies to reduce car commutes. Subsidized transit passes and the unbundling of parking and parking pricing both have the potential to reduce car commutes by a significant amount. Both the City of Atlanta and Buckhead have adopted visions to address mobility in the region and accommodate future growth. The visions described in Buckhead REdeFINED, Atlanta's Transportation Plan, Central Atlanta Progress TDM Strategy, and the Atlanta City Design identify the significance of improving connectivity and livability through strategies such as encouraging alternative modes of transportation and aligning transit investments with density.



Image source: Curbed Atlanta, Rendering of 1781 Peachtree, Dwell Design Studio



Image source: AJC News



Image source: Freepik

## ACTION PLAN | CONNECT WORKERS TO EXISTING HOUSING

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### Short Term Actions ( < 12 Months)

- **Develop an education campaign for preferred employer programs and rent/mortgage incentives.**
- *Potential implementation stakeholders: Livable Buckhead*
  - Management companies operating in Buckhead currently have versions of these programs in place. Consider developing a list of large (100+) employers in the area that could be part of this list and circulate to property management in the area.
  - Create a subset of Buckhead employers from whom this type of benefit might be beneficial – especially long-term professional services and mid- to higher-paying jobs. Survey what these companies currently do to encourage living closer to work. Consider developing a “sample rent incentive benefit” packet modeled off Audible or Maryland’s program to generate buy-in from local employers – especially for those that report difficulty hiring due to housing prices.

### Mid-Term Actions ( 1 – 3 Years)

- **Implement preferred employer programs and rent/mortgage incentives**
- *Potential implementation stakeholders: Livable Buckhead with employer and property manager partners*
  - Identify a few key employer partners to launch a pilot program for rent and mortgage incentives. Consider developing an impact study and monitor results for this pilot to create more buy-in for future programs and external funding. For example, if this program in Buckhead reduces open job postings by 2 weeks and results in 15% lower attrition, other companies will see the benefit of a similar program.

## ACTION PLAN | PRESERVE EXISTING WORKFORCE HOUSING

### Short Term Actions ( < 12 Months)

- **Track and preserve Naturally-Occurring Affordable Housing (NOAH)**
- *Potential implementation stakeholders: Livable Buckhead in partnership with City of Atlanta*
  - Track existing affordable units in Buckhead to ensure that Livable Buckhead has the opportunity to preserve affordability when properties turn over. Consider creating an affordable apartment “tracker” on the Livable Buckhead website to create a common source of data for advocates and residents.
  - Before a property is sold, host a meeting with the potential seller to discuss options and potential sellers that would retain affordability with comparable market returns through mission-based equity or a preservation fund.
  - Solicit major employers to invest capital in these preservation funds with below-market return expectations.
- **Educate developers and owners about financing mechanisms to preserve existing properties**
- *Potential implementation stakeholders: Livable Buckhead in partnership with City of Atlanta*
  - Develop expertise among developers in the area about the specific fund options, federal and state subsidy programs, and Buckhead zoning SPI-12 to create a bench of interested developers and partners that may have the capacity to preserve future units.
  - Tie application of preservation funds facilitated by Livable Buckhead to deed restrictions that extend long-term affordability for existing residents.
- **Coordinate with the City of Atlanta, Invest Atlanta, and other partners to attract mission-oriented equity investors to Buckhead.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with City of Atlanta*
  - Given Livable Buckhead’s goals, it should act as an **advocate** for Buckhead to the City of Atlanta and as an **intermediary**. In this function, Livable Buckhead should work with existing preservation funds (Housing Preservation Equity Trust, JBG Smith, Community Development Trust, others) to advocate for Buckhead as an investment destination for mission-oriented and private preservation capital.



# ACTION PLAN | ALIGN HOUSING WITH TRANSIT INFRASTRUCTURE

## Short Term Actions ( < 12 Months)

- **Expand soft-site analysis to identify priority parcels—especially on MARTA and publicly owned land.**
- *Potential implementation stakeholders: Livable Buckhead*
  - This report includes a high-level soft-site analysis to calculate the total housing capacity of Buckhead. As a next step, consider identifying a short-list of high priority candidates (5 – 10 sites) that could be developed with workforce housing.

## Mid and Long-Term Actions ( 1 – 3 Years)

- **Work with MARTA to develop a bench of developers with the capacity to develop mixed-income housing**
- *Potential implementation stakeholders: Livable Buckhead in partnership with MARTA and Invest Atlanta*
  - Work with MARTA to develop a bench of developers who can build sustainable workforce and affordable housing projects using all of the subsidy sources available. Evaluate the capacity of developers to build this type of product in the area – ideally through a proof-of-concept pilot program. This could be in the form of a developer roundtable where developers are encouraged to offer ideas and potential bids for MARTA-owned land.
  - Similar to working with developers for preservation, create expertise among developers in the area about the specific fund options, federal and state subsidy programs, and Buckhead zoning SPI-12.
- **Coordinate with MARTA, the City, Invest Atlanta, and other partners to attract non-profit and private investment for workforce housing.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with MARTA and Invest Atlanta*
  - A lack of expertise and precedent projects are some of the key barriers to building new mixed-income, workforce and affordable housing projects in Buckhead. Livable Buckhead can partner with MARTA to manage the risk of the first project – which can help spur similar projects in the future if successful. This will require an RFP by MARTA on one of the Lindbergh parcels to a developer who has experience in developing similar projects. **Livable Buckhead can partner with MARTA to select the winning developer proposal to ensure that the proposal is in line with Livable Buckhead’s goals.**

## ACTION PLAN | EXPAND HOUSING TYPOLOGIES

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### Short Term Actions ( < 12 Months)

- **Market the potential demand shown in this report for co-living and micro-units in Buckhead.**
- *Potential implementation stakeholders: Livable Buckhead*
  - This report shows that there is a substantial market of workers who are young, live in small households, and are willing to rent—a prime market segment for developers building alternative housing solutions like co-living and microunits. This should be marketed to potential developers and national firms active in this space.

### Mid and Long-Term Actions ( 1 – 3 Years)

- **Consider working with national co-living firms to explore a pilot project in Buckhead**
- *Potential implementation stakeholders: Livable Buckhead*
  - Livable Buckhead should consider working with existing co-living companies like Common, WeLive, and others to explore the potential of a pilot project. These concepts target mobile, young professionals and offer moderate rents.
- **Encourage developers to build for a variety of household sizes—including families with 3+ people.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with MARTA and Invest Atlanta*
  - Currently, 3BR units account for only 5% of the existing multifamily supply. The existing multifamily supply consists primarily of studios and 1BR units (55%) and 2BR units (40%). In terms of efficiently adding workforce and affordable housing units in Buckhead, 3BR units are more challenging to subsidize and less efficient than building studios, 1BR, and 2BR units. Nevertheless, Livable Buckhead should encourage developers to build for a variety of household types to foster a sense of community in Buckhead’s commercial core.

## ACTION PLAN | DEVELOP INCENTIVE PROGRAMS

### Mid Term Actions ( 1 – 3 Years)

- **Advocate for expanding tax abatement on multifamily housing that provides middle income housing in Buckhead.**
- *Potential implementation stakeholders: Livable Buckhead, City of Atlanta, Fulton County*
  - Work with Fulton County and the City to advocate for a by-right tax abatement for any project that provides housing at rents between 80% - 120% of AMI. While many tax abatement programs exist, they are mostly discretionary and require significant processing to receive. A by-right tax abatement can help incentivize more workforce housing.
- **Amend zoning to accommodate incentive zoning polices and/or payment into a housing fund.**
- *Potential implementation stakeholders: Livable Buckhead*
  - At a high-level, we have found that there is potential for an incentive zoning program in Buckhead that would create an affordability set-aside for new development and preservation in the area. Livable Buckhead has the opportunity to craft this policy proposal and ensure that inclusionary units in Buckhead and/or fees stay in the neighborhood and help to house workers. **The City should consider citywide inclusionary zoning—with it, Buckhead has the opportunity to frame the equity debate around moving more workers to the community.**
- **Advocate for the expansion of Invest Atlanta's Housing Opportunity Bond Fund to \$30k - \$50k per unit—the financial gap found in our analysis.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with Invest Atlanta*
  - In early 2017, the Atlanta City Council approved the issuance of \$40 million of Housing Opportunity Bonds. The Housing Opportunity Bond Fund (HOB) provides gap financing to developers for the acquisition, construction, or renovation of affordable workforce housing units. The fund is used for low-interest loans and may be used in conjunction with conventional, bond, or other private or public financing. Each housing project financed with the Housing Opportunity Bond Fund is regulated by a land use restriction agreement for at least fifteen years. Eligible developments must set aside at least 20% of the units of comparable size and finish of market rate units to persons at 60% of the AMI, and 15% of the units must be set aside for market-rate tenants. Loans cannot exceed the lesser of \$25,000 per affordable unit or 20% of the capital stack.
  - In Buckhead, our analysis has found a gap of \$30,000 - \$50,000 per unit to develop units for 50 – 60% of AMI. Adjusting this program and advocating for Buckhead to receive more of these bonds would provide much-needed capital for affordable housing.

## ACTION PLAN | REDUCE NEW CAR COMMUTES

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### Short-Term Actions ( <12 months)

- **Enhance existing Transportation Demand Management (TDM) services.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with Atlanta Transportation*
  - Continue to market existing subsidy programs.
  - Provide and fund increased services for employers to encourage transit, rideshare, and telework benefits.

### Mid-Term Actions ( 1 – 3 years)

- **Coordinate with partner organizations at the City and State to deploy regional statewide strategies.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with ARC, City and State transportation agencies*
  - Some of these strategies may include tax credits for employers that provide commuter benefits or commute trip reduction laws that require participation in commuter benefits programs.
- **Develop a pilot program with an employer or office property manager that provides free transit for workers.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with employers*
  - Survey results support the potentially significant impact of discounted transit passes; 50% of Buckhead commuter survey respondents said that a discounted transit pass would change their commuting behavior. Developing a pilot program would create quantifiable data that shows the difference in overall car commute and could provide an incentive for a public-private partnership that creates a free pass for employers – especially those in the service industry who work regular hours.

## ACTION PLAN | URBAN DESIGN AND REGULATORY TOOLS

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### Mid-Term Actions ( <12 months)

- **Unbundle parking and parking pricing for residential and commercial buildings.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with property managers*
  - Unbundling parking or modifying parking pricing could involve building with significantly reduced parking, requiring separate payment for parking, offering “cash-out” benefits for workers, and identifying opportunities for shared parking programs. Since the cost of one parking space is nearly equivalent to the cost of one additional subsidized unit in a mixed-income development, unbundling parking could have financial impacts on development feasibility. Convening a focus group could help determine whether unbundling parking is investor or developer driven. Additionally, an education and marketing campaign around parking requirements and incentives could provide support for a citywide dialogue about appropriate parking levels and provide support for developers and investors to unbundle parking from the cost of housing. **Message the cost of parking in terms of affordable housing – each structured parking space costs between \$20,000 - \$30,000 – similar to the cost of one additional unit at 60% AMI in a mixed income development.** The first projects with unbundled parking could be built in tandem with a free transit pass pilot program, potentially leveraging lower-cost public land and other tools to reduce first-mover risk.
- **Ensure the built environment is designed to prioritize the use of alternative commutes.**
- *Potential implementation stakeholders: Livable Buckhead in partnership with ARC, and City planning agencies.*
  - This can be done through convening the Buckhead Development Review Committee to ensure development is compliant with community goals. Additionally, Buckhead should prioritize developing physical improvements that prioritize transit, biking, and walking, improving Buc service to provide enhanced last mile connectivity; and modifying zoning codes to accommodate new technologies and strengthen participation in alternative commute programs.
- **Establish a parking management fund district**
- *Potential implementation stakeholders: Livable Buckhead in partnership with ARC, and City planning agencies.*

# Strategy Framework

Implementation Roadmap

Connect Existing Units to Workers

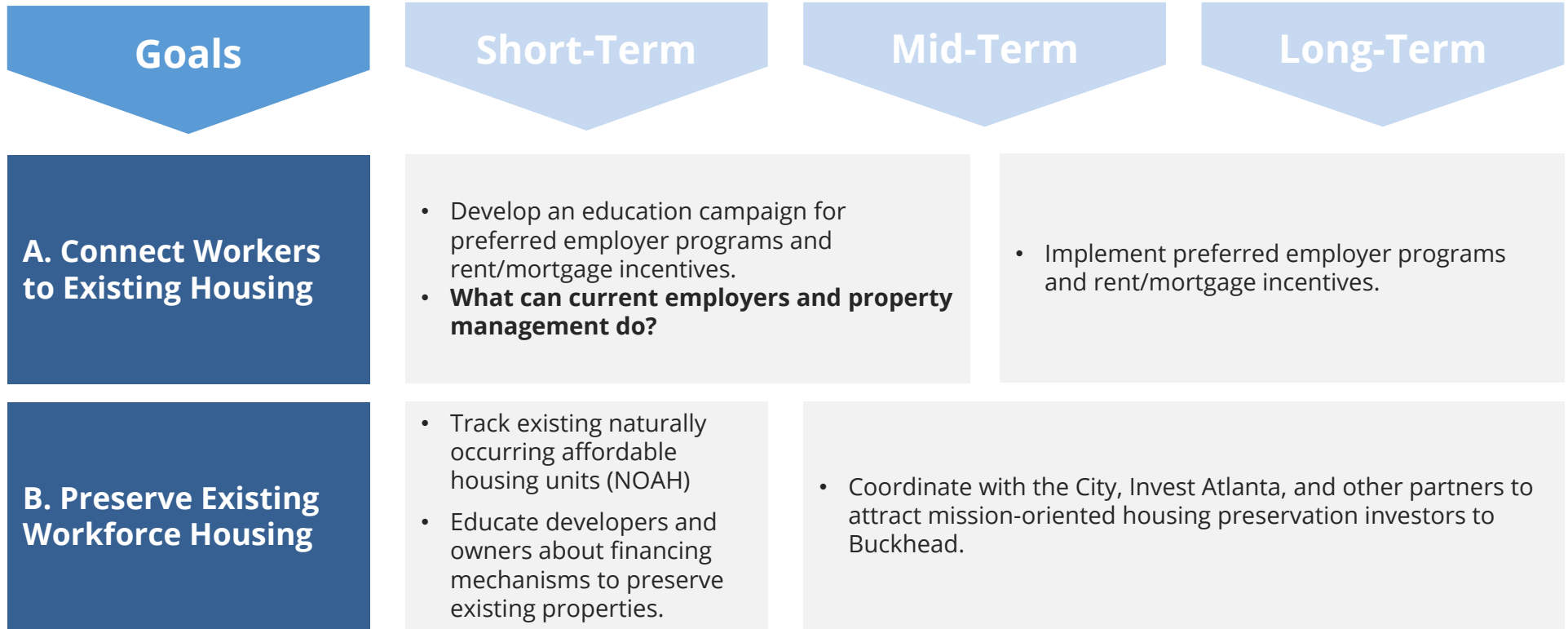
Preserve Affordability

Build New Workforce Housing

Reduce New Residential Car Commutes

# 1. ACCOMMODATE LOCAL WORKERS IN EXISTING BUCKHEAD HOUSING

Accommodating local workers in Buckhead is a critical part of the solution to Buckhead’s housing and transportation challenges. A range of programs and strategies can help workers of varying incomes identify and move into existing Buckhead units as well as new apartments.



# 1. ACCOMMODATE LOCAL WORKERS IN BUCKHEAD

To move towards an equitable future, Buckhead must comfortably house households at all income levels. A diverse cross-section of residents who perform essential community functions, such as teaching, healthcare, and retail trade earn less than \$60,000 annually. The community members below represent a sample of these occupations in Buckhead.

Affordable housing is critical to helping households achieve greater financial stability and access economic opportunity. It enables them to dedicate a greater share of resources to other needs, including healthcare, nutritious food, and educational opportunities. In addition, affordable housing options help low-income workers access labor markets near their homes in the city, benefitting individual households and the community as a whole.



**Hotel Desk Clerk:**  
\$20,900



**Medical Assistant:**  
\$33,800



**Entry-Level Teacher:**  
\$46,500

\$18,000    \$22,000    \$26,000    \$30,000    \$34,000    \$38,000    \$42,000    \$46,000    \$50,000    \$54,000    \$58,000



**Retail Salespersons:**  
\$21,400



**Police Officer:** \$40,000



**Video Editor:** \$51,600

Source: EMSI 2017 (Median Salaries, Atlanta MSA), Images from Bureau of Labor Statistics



# A. CONNECT WORKERS TO EXISTING HOUSING | PREFERRED EMPLOYER PROGRAMS

## Description

Preferred employer programs provide incentives to applicants who work for specific employers. Examples of these incentives could include a lower monthly rent, a discounted deposit, access to services, or application fee waivers. There are opportunities for preferred employer programs to coordinate between employers and residential property managers connected via public transit networks or within a walkable distance; the strategic use of preferred employer programs could both attract local workers and reduce their car commutes. Buckhead's housing strategy should encourage apartment operators to provide incentives to local workers. Preferred employer programs would be most applicable to long-term employees of companies located in Buckhead.

## Existing in Atlanta and Precedents

A number of residential developments and apartments in Atlanta already offer preferred employer programs. Incentives range from discounted monthly rents to waivers in either deposits or application fees.

## Limitations

Implementing a preferred employer program requires careful evaluation of Fair Housing laws. Furthermore, residential property managers may be hesitant to partner with employers with high employee turnover. Implementing a preferred employer program would require identifying the most applicable types of workers with particularly low rates of turnover.

## Next Steps

Management companies operating in Buckhead currently have versions of these programs in place.

- **Develop a list of large (100+) employers in the area that could be part of this list and circulate to property management in the area**
- **Advocate for the City of Atlanta to fund tax benefit for employers that implement preferred employer programs**



Image Source: Atlanta Business Chronicle

The Fair Housing Act protects people from discrimination on basis of race, color, national origin, religion, sex, familial status, and disability when renting or buying a home or engaging in other housing-related activities. The Federal Fair Housing Act through the HUD Rule on Disparate Impact states that practices that have an adverse impact on a group of people covered under the law, even without the intention to discriminate, may constitute a violation.

The Seattle City Council approved an ordinance prohibiting preferred employer programs in 2016<sup>1</sup>. Seattle's programs, typically limited to the technology sector, have a disparate impact on protected groups and therefore were found to constitute a violation of Fair Housing laws.

1. Beekman, Daniel. "The Use of Preferred Employer Programs in Rental Housing Under the Seattle Open Housing Ordinance (SMC 14.08)." Seattle Times. August 8, 2016. Accessed February 19, 2019.

## A. CONNECT WORKERS TO EXISTING HOUSING | MORTGAGE OR RENT INCENTIVES

### Description

Mortgage or rent incentives could take the form of cash incentives, rent stipends, or reduced relocation costs to motivate residents to move closer to their places of employment. Buckhead's housing strategy should encourage apartment operators to provide incentives to local workers. Mortgage and rent incentives would be most applicable to long-term employees of companies located in Buckhead.

### Existing in Atlanta and Precedents

While there are national examples of mortgage or rent incentives, there is limited precedent in Atlanta. Maryland adopted a *Live Near Your Work* program; residents received up to \$3,000 towards purchase, down-payment, or closing costs on a new home located within five miles of the resident's workplace and within a targeted residential development zone<sup>1</sup>. Another example of an employer-based program is Audible's monthly stipend offered to employees who move to Newark, the location of Audible's headquarters<sup>2</sup>.

### Limitations

Employers and residential property managers should carefully evaluate Fair Housing laws. Employers with high turnover or low staff wages may be reluctant to offer mortgage or rent incentives.

### Next Steps

**Create a list of Buckhead employers from whom this type of benefit might be beneficial – especially long-term professional services and mid- to higher-paying jobs. Survey what these companies currently do to encourage living closer to work. Consider developing a “sample rent incentive benefit” packet modeled off Audible or Maryland's program to generate buy-in from local employers.**



Image Source: Curbed Atlanta, "Mapping Buckhead's construction boom"

1. "Live Near Your Work Program." *Partners for Livable Communities*. Accessed February 19, 2019.

2. Kaysen, Ronda. "Work for Audible, Live Rent-Free?" *The New York Times*. May 26, 2017. Accessed February 19, 2019.

## B. PRESERVE AFFORDABILITY | TRACK AND PRESERVE EXISTING AFFORDABLE UNITS

### Description

On a per unit basis, preserving affordable units is almost always a cheaper way to maintain affordability than developing new units. There are currently approximately 1,500 units that rent for less than \$875 per month and 9,600 units that rent for less than \$1,250 per month. Preserving these units and marketing them to lower-income workers is a lower-cost strategy to keep affordable units in Buckhead. Naturally Occurring Affordable Housing (NOAH) generally includes older Class B and Class C rental apartment buildings which, since construction several decades ago, have filtered from top of market rents to more affordable rents affordable to 50%-80% Area Median Income. Units in these NOAH buildings are entirely market rate and typically owned by profit-driven entities, but serve an affordable and workforce market. These buildings often feature deferred maintenance, noncompliance with more recent health, safety, and accessibility building codes, and other concerns relating to the end of useful building life. They often require some capital investment over time. NOAH buildings are often at risk for resident displacement as they can be sold to market-rate developers who often renovate or replace buildings with more expensive units. NOAH funds invest in NOAH buildings, typically with public and mission-driven private funds, to preserve the affordability of this housing. Different NOAH funds are structured to preserve affordability in different ways.

### Strategies

Livable Buckhead can serve in three roles—as an **advocate**, to the City of Atlanta to set up these funds and target Buckhead, as a **intermediary** between funds and properties, and as an **investment group**, raising and investing capital.

Given Livable Buckhead's goals, it should act as an **advocate** for Buckhead to the City of Atlanta and as an **intermediary**. To function as an intermediary, Livable Buckhead should work



Image Source: AJC, "Darlington tenants to rally Monday to stay in their Buckhead apartments"

The Darlington Apartments in Buckhead were built in 1951 and had rents between \$600 to \$1,200 a month, compared to almost three times those figures in nearby new developments. In September 2018, residents were asked to move in order for the property to be rehabilitated to accommodate higher-priced housing.

Preserving the affordability of this type of building is often the cheapest way to provide affordable units for Buckhead workers.

1. "Live Near Your Work Program." *Partners for Livable Communities*. Accessed February 19, 2019.

2. Kaysen, Ronda. "Work for Audible, Live Rent-Free?" *The New York Times*. May 26, 2017. Accessed February 19, 2019.

## B. PRESERVE AFFORDABILITY | TOOLS

Fund Type	Preservation	Preservation and Acquisition	Acquisition
Goal	Preserve naturally occurring affordable housing in seven county Minneapolis-St. Paul region	Bridge financing for preserving existing affordable housing, site acquisition, predevelopment, and critical repairs of existing subsidized and NOAH	Support equitable transit-oriented development, primarily through site acquisition
Example	Minnesota NOAH Impact Fund	DC Preservation Fund	Bay Area Transit-Oriented Development Fund
Capacity/ Leverage	\$25M project equity \$7.5M Credit Enhancement	\$10M leveraged at least 3:1 (\$40M+)	\$50M fund
Legal Structure	Independent decision making based on guidelines	Independent decision making based on guidelines	CONFIRM: Independent decision making based on guidelines
Structure	Single fund combination of low cost debt for equity and first loss credit enhancement	\$10M of public funding split across two administrators and lenders	\$10M of public funding split across five lenders
Product	90% Equity Partnership	Interest-only bridge loan	Predevelopment and Acquisition
Timeframe	10 year equity hold period	Up to 4 years	3-5 years
Affordability Requirement	15 years. 75% of units at or below 80% AMI	10 years. 50% of units at or below 80% AMI	Target 75% of units at or below 80% AMI, 20% at 50% AMI, 40% not exceeding 60% AMI

1. Addy, Chris, Maya Chorenge, Mariah Collins, and Michael Etzel. "Calculating the Value of Impact Investing." *Harvard Business Review*. January-February 2019 Issue. Accessed February 19, 2019.
2. "Impact Investing Platforms Create New Equity Streams for Affordable Housing." *Urban Land Magazine*. Urban Land Institute. July 21, 2017. Accessed February 19, 2019.
3. Bhatia, Aliya, and Miriam Keller. "Preserving Naturally-Occurring Housing Affordability in Metro Atlanta Neighborhoods". May 2018.

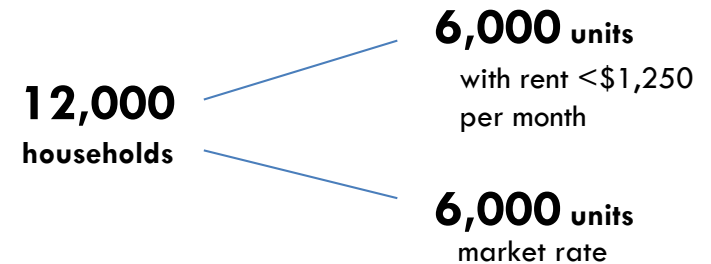
## 2. BUILD NEW WORKFORCE HOUSING

Accommodating local workers in Buckhead is a critical part of the solution to Buckhead’s housing and transportation challenges. A range of programs and strategies can help workers of varying incomes identify and move into existing Buckhead units as well as new apartments.

Goals	Short-Term	Mid-Term	Long-Term
<b>A. Align housing with existing transit infrastructure</b>	<ul style="list-style-type: none"> <li>Expand soft-site analysis to identify priority parcels—especially on MARTA and publicly owned land.</li> </ul>	<ul style="list-style-type: none"> <li>Work with MARTA to develop a bench of developers with the capacity to develop mixed-income housing.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with the City, Invest Atlanta, and other partners to attract non-profit and private investment for <b>workforce housing</b>.</li> </ul>
<b>B. Expand housing typologies</b>	<ul style="list-style-type: none"> <li>Market the potential demand shown in this report for co-living and micro-units in Buckhead</li> </ul>	<ul style="list-style-type: none"> <li>Consider working with national co-living firms to explore the potential of a pilot project in Buckhead.</li> <li>Encourage developers to build for a variety of household sizes—including families with 3+ people.</li> </ul>	
<b>C. Develop incentive programs</b>	<ul style="list-style-type: none"> <li>Advocate for expanding tax abatement on multifamily housing that provides middle income housing in Buckhead.</li> <li>Advocate for the expansion of Invest Atlanta’s Housing Opportunity Bond Fund to \$30k - \$50k per unit—the financial gap found in our analysis.</li> <li>Amend zoning to accommodate incentive zoning polices and/or payment into a housing fund.</li> </ul>		

## A. BUILD NEW WORKFORCE HOUSING

Attracting local Buckhead workers to live in the area requires providing housing options at various levels of affordability to meet capturable demand. Considerations for building workforce housing include identifying potential soft sites and development nodes, determining the financial feasibility of building workforce housing on those sites, and evaluating existing housing tools. Projected capturable demand encompasses 6,000 units at market rate and 6,000 units with low and moderate rents.



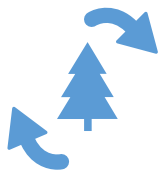
**SOFT SITE IDENTIFICATION** | This study’s soft-site analysis identified potentially developable parcels clustered near current employment, the MARTA network, or bus routes. This analysis focused in particular on three potential areas adjacent to MARTA transit nodes or within the Buckhead core with the potential to accommodate over 12,000 units. Additionally, surface parking lots could be considered as soft sites for future development.



**FINANCIAL FEASIBILITY ANALYSIS** | Building a pilot development on a MARTA-owned site could substantially help address the need for housing at different cost levels and show a plausible path forward for affordable or mixed-income projects in Buckhead. However, the financial feasibility analysis indicates that this prototypical development will require significant public support via tax abatements, tax credits and other tools.



**HOUSING TOOLS** | There are a variety of tools to draw upon to increase the supply of workforce housing and address the development gap. Potential sources of available subsidies include: acquisition funds, preservation funds, mission-oriented equity sources, tax abatements, and Invest Atlanta’s Housing Opportunity Bond Fund and Transit Oriented Development Fund.



**SUSTAINABILITY COMMITMENT** | In line with the City of Atlanta’s goal of constructing green affordable housing<sup>1</sup>, each new housing unit should meet a minimum standard of energy efficiency. For instance, the 2015 Enterprise Green Communities Criteria provide a framework for building performance standards and energy efficiency.

1. City of Atlanta Sustainability Plan, 2010

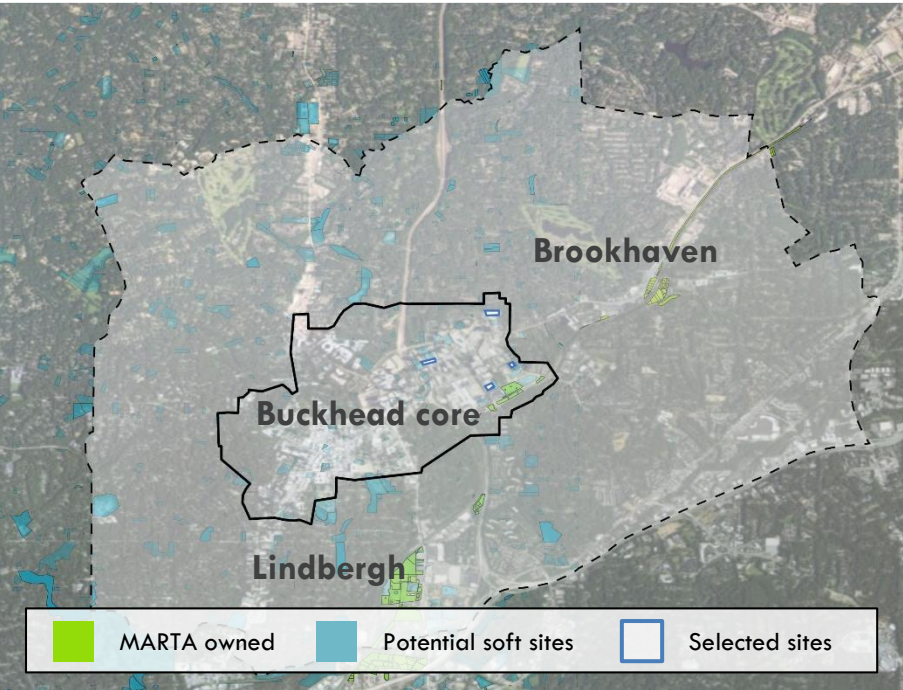
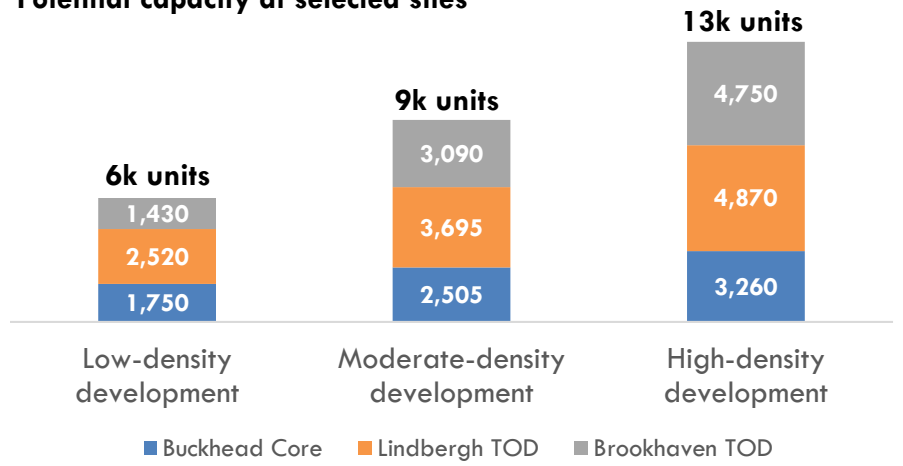
## A. BUILD NEW WORKFORCE HOUSING | SOFT SITE ANALYSIS

New housing needs to align strategically with transit and public realm improvements to create walkable neighborhoods. Within the study area, the soft site analysis establishes potential areas that could accommodate Buckhead’s capturable demand, with a particular focus on developable parcels near current employment, the MARTA network, and bus routes. The soft site analysis centered around three primary nodes: the Buckhead Core, Lindbergh TOD, and Brookhaven-Oglethorpe TOD. Depending on the density of development, the three study areas can accommodate a total of 5,700 to 12,880 units.

Within the **Buckhead core**, a few essential filters guided the determination of potential development sites. Priorities included evaluating parcels for vacancy and ownership type, with a focus on vacant public lands. This analysis excluded land that is currently used as surface parking as well as parking garages. However, successful implementation of transportation demand management strategies could encourage the **conversion of surface parking and low-rise parking decks into housing development sites in the future**. Certain property owners, including as the owners of the Piedmont Center are considering this type of conversion.

Using these filters, the soft site analysis established a small portion of developable sites within the Buckhead Core. The constraints of the Buckhead Core include a limited amount of vacant and publicly-owned land in addition to building height limitations. The Buckhead Core can accommodate between 1,750 and 3,260 units, fewer total units than either the Lindbergh and Brookhaven-Oglethorpe TOD nodes.

Potential capacity at selected sites



## A. BUILD WORKFORCE HOUSING | SOFT SITE ANALYSIS

**MARTA's Lindbergh TOD** area and the **MARTA Annex** site offer considerable opportunities for housing development. The first MARTA TOD project was proposed in 1997 at the Lindbergh Center Station<sup>1</sup>. Phase II of the Master Plan was proposed in 2015 and included the rezoning of the area to SPI-15, allowing up to an FAR of 8.2 for residential with at least 20% affordable units and up to 12.2 for mixed-use with 20% affordable units. In the 2015 Lindbergh Phase II TOD Master Plan, the proposed program included rental apartments with 215-235 units, for-sale new homes containing 100-150 units, approximately 120,000 SF of office, retail, and a hotel of up to 400 rooms<sup>2</sup>.

In previous plans for the Lindbergh TOD area, a long-term opportunity involved the possibility of selling the MARTA Annex site. The primary challenge facing a near-term sale of the MARTA Annex site is the relocation of MARTA staff. However, there is ongoing internal evaluation of the feasibility of selling the site, and developing the MARTA Annex site could yield up to 3,500 housing units. Other vacant lots or surface parking within the Lindbergh TOD area could accommodate between 720 and 1,370 units. In total, the MARTA Lindbergh TOD area and the MARTA Annex have the capacity for 2,520 to 4,870 units.

1. Kahn, Michael. "MARTA Requests Proposals to Finally Start Lindbergh Center's 2nd Phase." *Curbed Atlanta*. January 04, 2017. Accessed February 19, 2019.
2. "Transit-Oriented Development: Lindbergh Center Station TOD Phase II Master Plan Technical Memorandum", 2015, Prepared for MARTA by: AECOM with Bleakly Advisory Group and Contente Consulting.

Parcel Land Area (AC)	FAR	Low-density development	High-density development
1.5	4.2-8.2	250	480
0.9	4.2-8.2	150	290
1.0	4.2-8.2	160	300
1.0	4.2-8.2	160	300
11.0	4.2-8.2	1,800	3,500
<b>TOTAL</b>		<b>2,520</b>	<b>4,870</b>





## A. BUILD WORKFORCE HOUSING | SOFT SITE ANALYSIS

MARTA's Brookhaven-Oglethorpe TOD area provides additional opportunities for housing development. A TOD plan for the Brookhaven-Oglethorpe site aimed to transform the station's surface parking lots into a mixed-use development. The vision for the original TOD plan included an active commercial, civic, and retail corridor connecting residents to the station and new amenities such as a public park and plaza. The program in the conceptual masterplan anticipated approximately 550 residential units, 200,000 SF of office space, 100 affordable senior apartments, 56,000 SF of retail, and 125 hotel rooms<sup>1</sup>.

In early 2017, the MARTA Board of Directors voted to discontinue work on the Brookhaven TOD project<sup>2</sup>. MARTA cited delays to the required rezoning approvals and a decision to suspend the authorization of tax incentives as primary reasons for discontinuing the project. However, underutilized surface parking is not an optimal use of space, and it is possible that the Brookhaven-Oglethorpe TOD site will become a feasible option for future redevelopment. The development of these surface parking lots within the Brookhaven-Oglethorpe TOD site could accommodate between 2,520 and 4,870 units.

1. "Brookhaven / Oglethorpe." CoUrbanize. Accessed February 19, 2019.

2. Wickert, David, and Mark Niese. "MARTA Calls off Major Brookhaven Development." AJC. February 10, 2017. Accessed February 19, 2019.

Parcel Land Area (AC)	FAR	Low-density development	High-density development
2.0	3.0-10.0	240	790
10.0	3.0-10.0	1,190	3,960
<b>TOTAL</b>		<b>2,520</b>	<b>4,870</b>



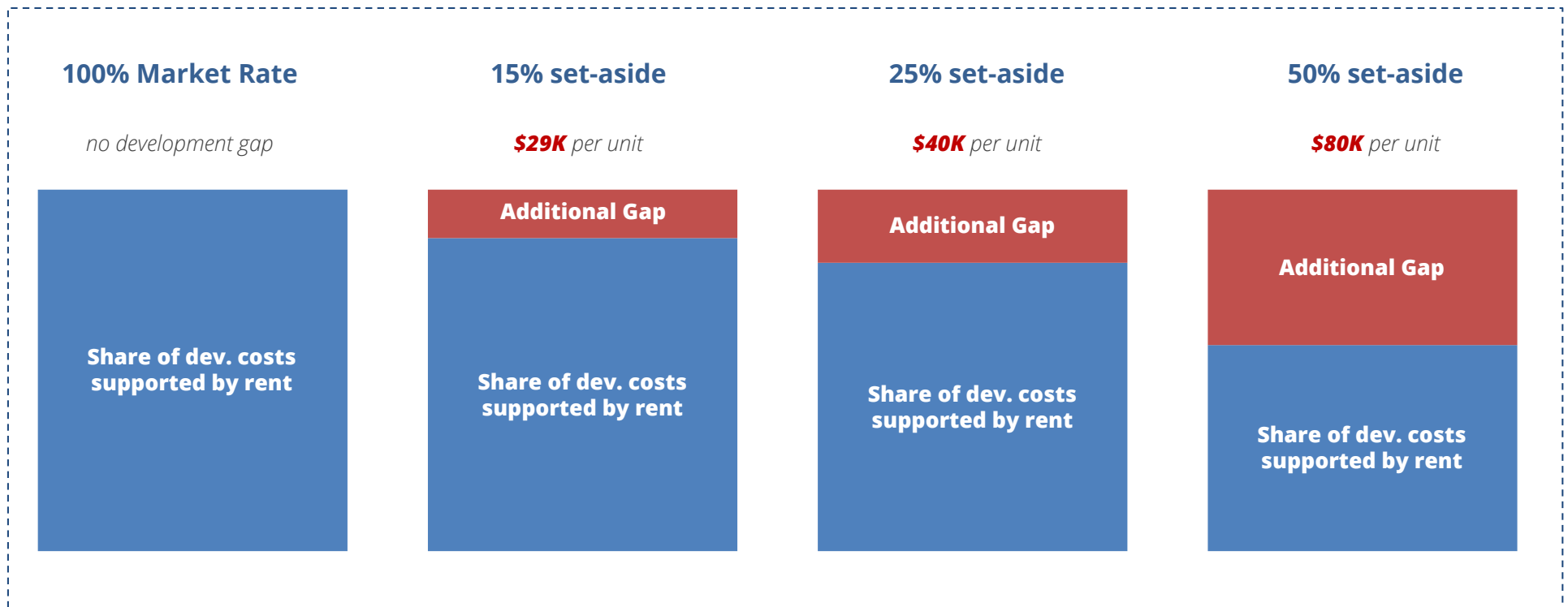
# A. BUILD WORKFORCE HOUSING | FINANCIAL FEASIBILITY ANALYSIS

Prototypical development at the MARTA Annex in Lindbergh could substantially address the need for housing at different levels, but this development would require substantial public subsidy. With 15% of units set aside for moderate-income residents, there would be a \$24k development gap per unit. In a development with 25% of units affordable to moderate-income residents, there would be a \$40k gap. Finally, the gap would be \$80k per unit for a development with 50% of units affordable to moderate-income residents.

## Gap and Potential Capital Stack for 50% AMI

**\$40,400 for 3-person household**

**\$840 per month**



## A. BUILD WORKFORCE HOUSING | FINANCIAL FEASIBILITY ANALYSIS

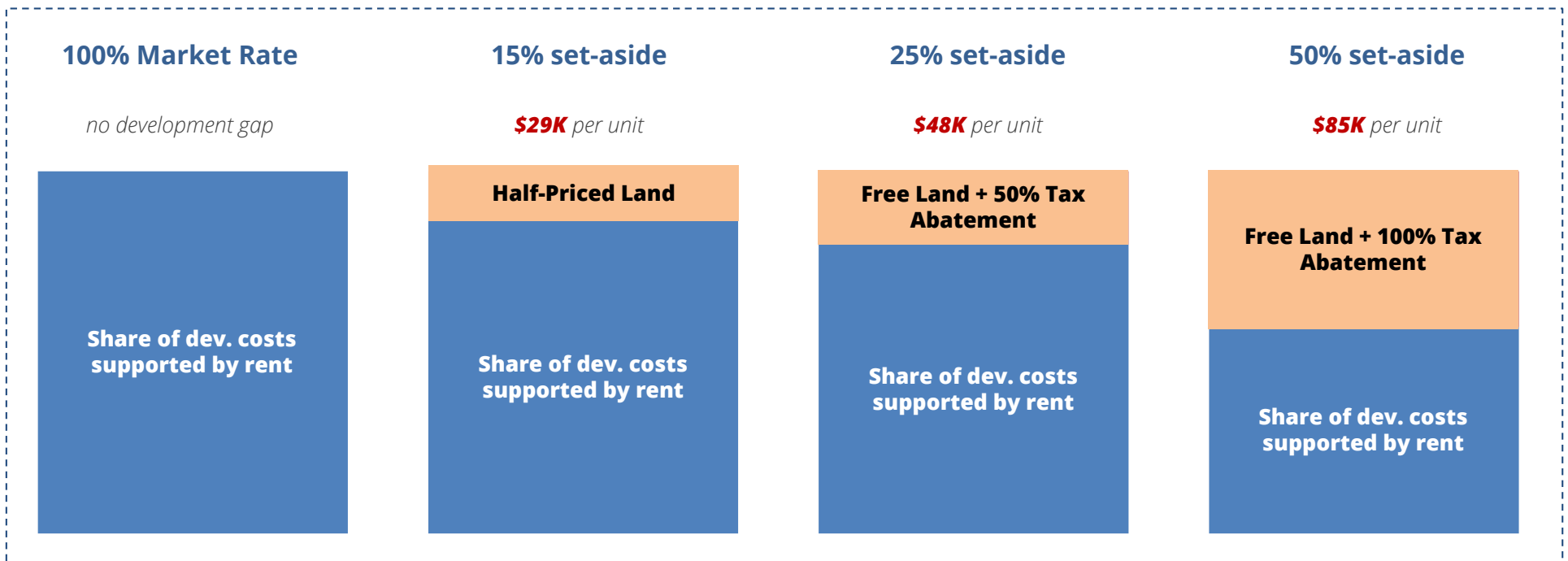
Building for 50% AMI households will require significant subsidy – either from MARTA in the form of reduced land costs, or through city tax abatement structures and other federal and state housing sources such as 4% Low-Income Housing Tax Credits and HOME funding.

MARTA and Livable Buckhead should partner with a developer that has **significant experience in leveraging subsidy and below-market equity to develop a proof of concept project**. This will help create a replicable model in the long run that does not rely solely on MARTA funds – but instead can leverage private and federal capital.

### Gap and Potential Capital Stack for 50% AMI

**\$40,400 for 3-person household**

**\$840 per month**



## B. BUILD WORKFORCE HOUSING | EXPAND HOUSING TYPOLOGIES



Image source: Curbed New York, a furnished micro unit at Caesura, photo by Ray Cavicchio



Image source: WeWork, WeLive in Crystal City

### Microunits

### Co-living

#### Description

While there is no standard definition of a micro unit, micro units typically refer to small studio apartments with a fully functioning kitchen and bathroom<sup>1</sup>.

Co-living encompasses a few variations of co-housing setups, but co-living can be defined broadly as a home shared by two or more unrelated individuals<sup>4</sup>.

#### Existing

Inman Quarter offers 550-square-foot units<sup>2</sup> while Crescent Terminus offers 450-square-foot units, and 131 Ponce de Leon Ave offers 360-square-foot units<sup>3</sup>.

Atlanta's first co-living concept, Awethu House, is a seven-unit co-living space that offers both market-rate and moderate-income units as well as access to a co-working space. Atlanta's PadSplit converts existing single-family homes into rentable rooms with shared common space; this concept aims to potentially fill the gap in workforce housing<sup>5</sup>.

#### Limitations

Many micro unit rentals are currently in high demand at premium prices. There may be challenges in creating diverse housing products at various affordable price points for local workers.

Co-living concepts often target mobile, young professionals. There may be challenges in creating diverse housing products at various affordable price points for local workers.

#### Potential rent

**\$1,000** per month for a 500 SF unit

**\$900 – \$1,200** per month

#### Affordable to

Households earning **\$35k-50k** per year

Households earning **\$35k-75k** per year

#### Next steps

Livable Buckhead should advocate for the construction of micro-units to developers.

Livable Buckhead should consider working with existing co-living companies to explore the potential of a pilot project.

1. "The Macro View on Micro Units". Urban Land Institute. 2013.
2. Green, Josh. "Atlanta's Micro Apartments Are in High Demand." Atlanta Magazine. February 23, 2016.
3. Sams, Douglas. "Atlanta Getting Its First 'micro' Apartments." Atlanta Business Chronicle. August 28, 2015.
4. Wood, Hannah. "Co-living 2030: Are You Ready for the Sharing Economy?" Archinect. December 28, 2017.
5. Sisson, Patrick. "This Cohousing Startup Wants to Help the Working Class." Curbed. March 30, 2018.

## B. BUILD WORKFORCE HOUSING | EXPAND HOUSING TYPOLOGIES



Image source: Audubon Communities



Image source: 05 Buckhead

### Hotel Conversions

### Increasing Share of Larger Units

#### Existing

The Metro, located near SunTrust Park, was previously a 288-room extended stay hotel that was then renovated and converted into a 200-unit Class A apartment community.

Currently, 3BR units account for only 5% of the existing multifamily supply. The existing multifamily supply consists primarily of studios and 1BR units (55%) and 2BR units (40%).

#### Limitations

With a strong hotel market in Buckhead, it is unlikely that significant additional hotel conversions will be viable. Furthermore, hotel rooms are frequently converted into Class A units; there is limited precedent of hotel conversions for workforce housing.

In terms of efficiently adding workforce and affordable housing units in Buckhead, 3BR units are more challenging to subsidize and less efficient than building studios, 1BR, and 2BR units.

#### Next steps

While Livable Buckhead can advocate for the conversion of hotel rooms into housing units, hotel conversions will most likely not be a significant, feasible housing typology in the near term.

Livable Buckhead should encourage developers to build for a variety of household types. However, a large portion of the multifamily pipeline consists of studios and 1BR units and continuing to build studios, 1BR, and 2BR units is an effective way to add workforce housing units.

## C. BUILD WORKFORCE HOUSING | INCENTIVE PROGRAMS

### Mission Oriented Equity

Mission-oriented equity provides capital for ventures with social and environmental benefits<sup>1</sup>. In the context of Buckhead's housing strategy, there are a few sources of mission-oriented equity that could aim to preserve and expand the supply of affordable and workforce housing:

- A **Housing Partnership Equity Trust (HPET)** is a mission-driven REIT created to raise capital for affordable housing. HPETs specialize in acquiring naturally occurring affordable Class B and C multifamily properties and typically targets renters earning 60 to 80 percent of AMI<sup>2</sup>. HPET deals occur in partnership with nonprofit housing providers that own and operate housing units.
- An **Enterprise Community Loan Fund** is a non-profit Community Development Financial Institution that provides loan capital to community-based, non-profit, and mission-aligned for-profit, affordable housing and community facility developers. Enterprise's loan products for affordable housing and community facilities include: predevelopment loans, acquisition loans, bridge loans for LIHTC and Historic Tax Credit projects, mini-permanent loans for interim capital, and permanent financing through the U.S. Treasury Department's CDFI Bond Guarantee Program.
- **NOAH funds** aim to preserve naturally occurring affordable housing units that typically occur in Class B and Class C rental units. A NOAH equity fund could pool philanthropic, private, and public-sector capital to provide equity at low-market returns to enable the preservation of NOAH properties<sup>3</sup>. An example of a regional social impact fund is the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund.



### Limitations

The limitation of the affordable and workforce housing equity sources is that affordability is typically preserved for a fixed amount of time; this is not a comprehensive strategy for maintaining long-term affordability.

### Livable Buckhead Implementation

Livable Buckhead has the opportunity to facilitate relationships between development partners and existing mission-oriented equity sources to match sources of subsidy with future development. Livable Buckhead should work with developers and Invest Atlanta to attract funding from existing mission-oriented equity sources.

1. Addy, Chris, Maya Chorenge, Mariah Collins, and Michael Etzel. "Calculating the Value of Impact Investing." *Harvard Business Review*. January-February 2019 Issue. Accessed February 19, 2019.

2. "Impact Investing Platforms Create New Equity Streams for Affordable Housing." *Urban Land Magazine*. Urban Land Institute. July 21, 2017. Accessed February 19, 2019.

3. Bhatia, Aliya, and Miriam Keller. "Preserving Naturally-Occurring Housing Affordability in Metro Atlanta Neighborhoods". May 2018.

## C. BUILD WORKFORCE HOUSING | INCENTIVE PROGRAMS

### Tax Abatement

Tax abatement programs reduce or cut the required tax payment for single-family ownership or multifamily rental properties to increase the feasibility of providing affordable units within a development. Tax abatements can be offered either through direct abatement or rebate. The resulting subsidy from tax abatements can be applied limitedly to the affordable units, in turn restraining the amount of subsidy. Alternatively, the resulting subsidy can be applied to creating market-rate units in mixed-income developments, allowing for incorporation of deeper affordability requirements for those affordable units within the mixed-income development.

### Population / Estimated Impact

Tax abatement programs can create homeownership units as well as renter units. Policies typically target middle- and moderate-income households. Subsidy depends on the area of the city in which the unit is located, and will abate only up to the cost of a market-rate unit.

Estimated annual subsidy by income band\*:

- \$20,000 – \$4,600-\$10,400 annual
- \$30,000 – \$1,600-\$7,400 annual
- \$40,000 – \$0-\$4,400 annual
- \$50,000 – \$0-\$1,400 annual

*\*Estimates are based on annual subsidy required to afford average rents across studio, one-bedroom, two-bedroom, and three-bedroom units, averaged across zip codes for the Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area.*

### Limitations

Tax abatement reduces tax revenue from the City that may be used for public services, such as emergency services and parks. It requires an on-going reduction in taxes, not a one-time infusion. Additionally, complete tax abatement is often not enough to make a unit affordable to low-income households.



*Starting May 2018, Minneapolis, MN provides 40% tax abatement for income restriction of 20% of all units at 60% of AMI.*

### 3. REDUCE CAR COMMUTES FOR NEW WORKERS

Buckhead’s housing strategy must closely align with ongoing transportation initiatives to ensure that new resident-workers reduce overall congestion.

Goals	Short-Term	Mid-Term	Long-Term
<b>A. Enhance TDM Services</b>	<ul style="list-style-type: none"> <li>Continue to market existing subsidy programs</li> <li>Provide enhanced TDM services for employers and encourage transit, rideshare, and telework benefits</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with partner organizations in City and State to deploy regional and statewide strategies                             <ul style="list-style-type: none"> <li>Tax credits for employers that provide commuter benefits</li> <li>Commuter Trip Reduction Laws that require participation in commuter benefits programs</li> </ul> </li> </ul>	
<b>B. Plan and build for a less auto-oriented Buckhead</b>	<ul style="list-style-type: none"> <li>Ensure built environment is designed to prioritize the use of alternative commute modes and last-mile connectivity through:                             <ul style="list-style-type: none"> <li>Convening DRC to ensure development is compliant with community goals</li> <li>Developing physical improvements that prioritize transit, biking, and walking, and enhance Buc service to provide enhanced last mile connectivity</li> </ul> </li> <li>Modify zoning codes to accommodate new technologies and strengthen participation in alternative commute programs</li> </ul>		
<b>C. Align regulatory tools to incentive non-car commutes</b>	<ul style="list-style-type: none"> <li>Advocate for a legal framework that requires residential and commercial buildings to unbundle parking costs from leases, and consider a focus group to determine whether current parking bundling practices are investor- or developer-driven</li> <li>Facilitate implementation of a shared parking program</li> </ul>		<ul style="list-style-type: none"> <li>Establish a regulatory environment that prioritizes alternative commutes by establishing a parking management fund/transportation benefit district</li> </ul>



### 3. REDUCE CAR COMMUTES FOR NEW WORKERS

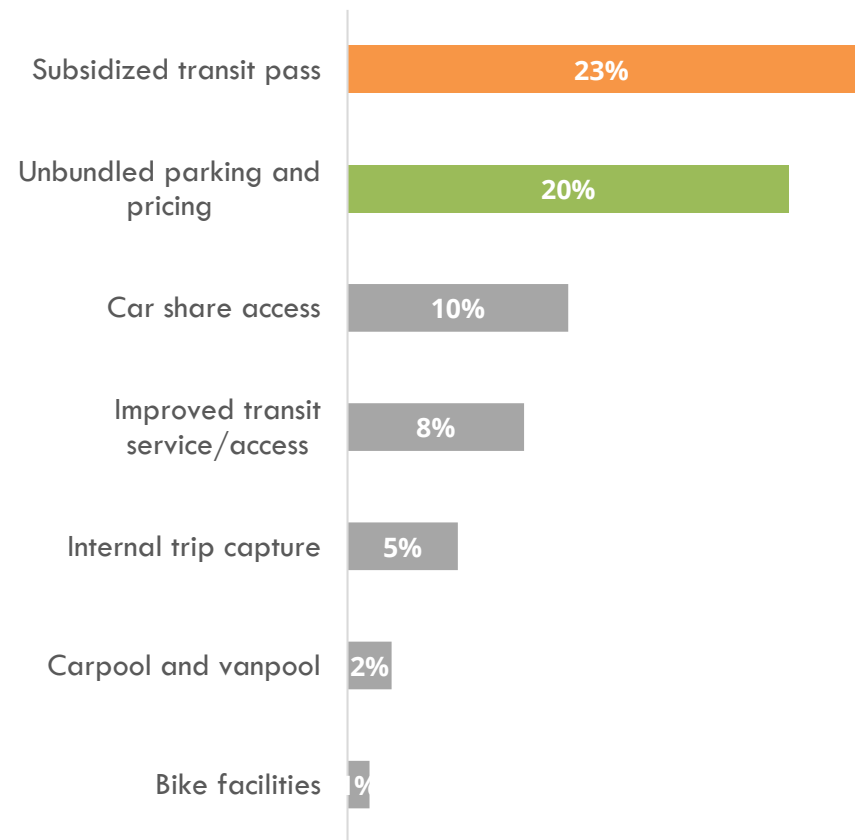
In addition to accommodating local workers in new housing, it is critical to focus on reducing car commutes for these workers. Successful implementation of commute reduction strategies could reduce overall traffic in Buckhead, improving the quality of life for both new and existing residents. Coordinated efforts among public agencies, employers, and property managers could contribute to effective implementation of policies and programs to reduce car commutes.

**SUBSIDIZED TRANSIT PASS** | Subsidizing and reducing the cost of transit passes has the greatest potential impact on reducing new worker car commutes. Currently, Buckhead provides modestly discounted transit passes, and some employers offer pre-tax transit benefits. The expansion and extension of these efforts to reduce the cost of transit passes could further impact the community behavior of residents.

**UNBUNDLED PARKING AND PRICING** | Managing parking pricing strategies could have a significant impact on residents' decisions regarding modes of transportation. Unbundling parking involves separating the cost of parking from the cost of building, which could allow the development of strategies to optimize parking utilization or to charge separately for the cost of parking. Furthermore, varying the price of parking to respond to demand could manage the availability of parking spaces. **Short-term and mid-term steps could include convening a focus group to determine whether unbundling parking is investor- or developer-driven.** An education and marketing campaign around parking requirements and incentives could provide support for a citywide dialogue about appropriate parking levels and provide support for developers and investors to unbundle parking from the cost of housing.

Source: Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018

Estimated Trip Reduction



### 3. REDUCE CAR COMMUTES FOR NEW WORKERS



Image source: MARTA Guide

#### SUBSIDIZED TRANSIT PASS

Subsidizing transit passes could involve providing either pre-tax benefits through employers or direct subsidies for the cost of transit passes through employers or residential property owners. Buckhead provides unlimited transit passes at a 20% discount to Buckhead commuters via their employers and property managers. The Atlanta Transportation Plan's Multimodal Urban Growth model estimates that unbundling parking and parking pricing could potentially reduce car commutes by up to **23%** in Buckhead.

**Survey results support the potentially significant impact of discounted transit passes; 50% of Buckhead commuter survey respondents said that a discounted transit pass would change their commuting behavior.**

**Livable Buckhead could consider studying the cost of providing a free MARTA pass as a pilot for an office building to model future changes in behavior.**

Source: Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018



Image source: Surface Tech

#### UNBUNDLED PARKING AND PARKING PRICING

Unbundling parking refers to separating parking cost from building cost; additionally, varying or increasing the price of parking can be an effective strategy to influence trip mode choice. Unbundling parking or modifying parking pricing could involve building with significantly reduced parking, requiring separate payment for parking, disallowing free parking, implementing a parking cash out program, and identifying opportunities for shared parking programs. Since the cost of one parking space is nearly equivalent to the cost of one additional subsidized unit in a mixed-income development, unbundling parking could have financial impacts on development feasibility. Atlanta Transportation Plan's Multimodal Urban Growth model estimates that unbundling parking and parking pricing could potentially reduce car commutes by up to **20%** in Buckhead.

### 3. REDUCE CAR COMMUTES FOR NEW WORKERS



Source: The Shops Buckhead Atlanta

#### INTERNAL TRIP CAPTURE

Internal trip capture refers to the portion of internal trips generated by a mixed-use development. Atlanta Transportation Plan's Multimodal Urban Growth model estimates that internal trip capture could potentially reduce car commutes by up to **5%** in Buckhead.



Source: Buckhead View

#### IMPROVED TRANSIT ACCESS & SERVICE

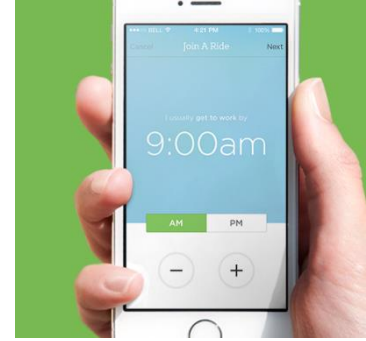
Improving transit access and transit service focuses on linking destinations to transit services through alternatives to private automobiles. Enhancing transit access and service, such as expanded Buc shuttle service, could potentially reduce car commutes by up to **8%** in Buckhead.



Source: Hartford Courant

#### CAR SHARE ACCESS

Carsharing is a model of short-term car rental that provides an option other than conventional car ownership. Improved carshare access via increased carshare space or subsidized carshare membership could potentially reduce car commutes by up to **10%** in Buckhead.



Source: Forbes

#### CARPOOL AND VANPOOL

Carpooling consists of two or more commuters who ride to work together, and vanpooling consists of five to fifteen commuters headed to the same or adjacent work sites. Increasing carpool and vanpool in addition to installing preferential carpool/vanpool parking could potentially reduce car commutes by up to **2%** in Buckhead.



Source: Relay Bike Share

#### BIKE FACILITIES

Improving bike facilities could involve increasing bicycle parking improving bike lanes, expanding bike amenities, funding capital and operating costs of bike share stations, subsidizing bike share membership, and expanding bikeshare programs. Improving and expanding bike share facilities could potentially reduce car commutes by up to **1%** in Buckhead.

Source: Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018, and Central Atlanta Progress, Foursquare ITP, Atlanta's TDM Strategy

## 4. REDUCING OVERALL CAR COMMUTES

Buckhead's housing strategy must align with ongoing transportation initiatives. In comparison to cities such as Seattle, Washington DC, or Chicago, Atlantans drive more, and Atlanta is one of the more congested large urban areas. Atlanta must adopt a comprehensive action plan for improving mobility. Buckhead REdeFINED, Atlanta's Transportation Plan, and Atlanta City Design outline a vision for Atlanta that is less dependent on cars. Through addressing current and future needs, all of these plans provide strategies for reducing overall commutes and accommodating envisioned growth.



*Image source: AJC, "I-85 northbound reopens in Atlanta", photo by Steve Schaefer*

**BUCKHEAD REDEFINED** | In 2016-2017, Livable Buckhead organized five major civic organizations in Buckhead to develop a vision for the community's future. Buckhead REdeFINED identifies three key themes to guide Buckhead's future: Mobility, Vitality, and Livability. Buckhead REdeFINED outlines six big ideas as components of this vision, including the development of a district-wide multi-use trail, activation of a continuous network of streets and destinations, mobility enhancement to and from GA400, fostering a distinctive Buckhead identity along Lenox Road, diversification of housing opportunities, and defining the civic heart of the community through parks and greenspace.

**ATLANTA'S TRANSPORTATION PLAN** | Atlanta's Transportation plan includes projects and policies to accommodate the city's future growth: safer streets, data collection, placemaking, inclusive zoning, open far payment, implementation of high capacity transit, development and implementation of a Transportation Demand Management Program, improving the bicycle and pedestrian network, and adopting new smart city approaches.

**ATLANTA CITY DESIGN** | The Atlanta City Design is a guiding document for the City of Atlanta released in 2017; the Atlanta City Design provides a framework for inclusive growth that could translate into a mobility plan, zoning ordinance changes, conservation and preservation efforts, housing strategy, and other tools and plans. The document identifies a need to transition to a city less dependent on cars. Strategies could include prioritizing transit investment and last-mile connectivity, expanding non-vehicular connectivity, encouraging density near transit, generating revenue from off-street parking, converting regulations to parking maximums, and eliminating parking requirements near transit.

*Sources: Buckhead REdeFINED Report, Atlanta's Transportation Plan 2018, The Atlanta City Design: Aspiring to the Beloved Community*

# Appendix

## Existing Housing Tools

# EXISTING HOUSING TOOLS | ACQUISITION FUND

## Description

An acquisition fund is a dedicated revolving pool of capital used to acquire sites for affordable housing or mixed-income development. Given strong real estate market demand in Atlanta, affordable housing developers struggle to compete for development sites with private buyers, who can often pay in cash and close deals quickly. While experienced affordable housing developers may be able to access acquisition funds through bank partners or Community Development Financial Institutions (CDFIs), these capital sources typically will only provide loans for 75-80% of project cost, leaving developers with a gap to be filled before they can act. Developers must either seek support from public-sector partners, which can take time, or deploy their own limited funds. Since nonprofit developers are often thinly capitalized, a single acquisition can tie up the bulk of their resources, leaving them unable to respond to other opportunities that may arise until those funds are released. These capital constraints make it very challenging for affordable housing developers to gain control of sites in desirable locations. Acquisition funds, in partnership with philanthropic or mission-oriented investors, motivated leaders, and municipalities acquire sites for affordable housing development, especially in strategic locations. An acquisition fund is a particularly important tool for increasing access to opportunity. It can prioritize the development of affordable housing in neighborhoods of opportunity and allow affordable housing developers to compete with market-rate housing developers for desirable sites.

## Population / Estimated Impact

Minimum \$2M investment to realize \$10M fund, with investment able to create 200-500 units. Properties purchased with acquisition fund loans likely will need to leverage other back-end subsidy sources (e.g., LIHTC, HOME, local funds) to do new construction or rehabilitation. Estimated impact assumes \$10M available (\$2M City, \$8M private), with average per unit land cost of \$15K to \$25K.

## Limitations

The availability of permanent subsidies will determine the maximum size of acquisition loan fund, as it is not feasible to acquire more property than there is subsidy to develop.

## Livable Buckhead Implementation

Livable Buckhead should work with Invest Atlanta to ensure that the development of workforce housing in Buckhead is a priority in Atlanta. Additionally, Livable Buckhead has the opportunity to facilitate relationships between development partners and existing acquisition funds to match sources of subsidy with future development.



*Denver's housing fund is estimated to have generated \$150 million over 10 years to support affordable housing development and preservation in the city.*

# EXISTING HOUSING TOOLS | ACQUISITION FUND

## Acquisition fund structure in Atlanta

Below is a potential structure and operating model for an acquisition fund. Buckhead leadership should work with potential funding partners and local developers to determine the most appropriate structure.



Potential Fund Structure	
<b>Borrowers</b>	Nonprofit and for-profit affordable housing developers with a track record of successful development.
<b>Investors</b>	The City, other regional municipalities, philanthropies, anchor institutions, and financial institutions.
<b>Fund Administrator</b>	<p>Experienced affordable housing lender, such as a local bank or Community Development Financial Institution.</p> <ul style="list-style-type: none"> <li>The fund administrator would hold all funds and be responsible for underwriting, approving, and monitoring loans using its established procedures.</li> <li>Loans made with City funds would be made within parameters established upfront via a funding agreement with the City and other investors.</li> <li>The fund administrator would provide regular reports to the City about the deployment of funds and performance of acquisition loans made with City participation.</li> </ul>
<b>Loan Types</b>	<p>Loans that are fast-turnaround (able to be approved and closed quickly); high loan-to-value; either interest-deferred or interest-only; and as low-cost as possible.</p> <p>Based on precedents from other communities, loan parameters might include:</p> <ul style="list-style-type: none"> <li>Loan-to-value ratio: Up to 97% loan-to-value ratio, with City funds (and potentially other capital) covering the gap between 80% LTV and the maximum LTV.</li> <li>Overall size: Maximum loan size on the order of \$1.5M-\$2M.</li> <li>Term: Initial term of up to 3 years, with potential to renew for 2 additional years (5 years total)</li> <li>Position in the capital stack: Capacity to take subordinate position, such that the first lender provides an acquisition loan that goes up to 80% LTV and the fund provides a subordinate loan that covers the gap from 81-97% LTV.</li> <li>Greater risk tolerance for acquisitions where takeout plans are not fully developed.</li> </ul>

# EXISTING HOUSING TOOLS | PRESERVATION FUND

## Description

A preservation fund is a dedicated pool of capital used to acquire or rehabilitate existing naturally-occurring and subsidized affordable housing in order to preserve affordability. The City should establish a preservation loan fund, in partnership with philanthropic and mission-oriented investors, lending institutions and affordable housing developers, that is dedicated to the preservation of affordable housing. Given strong real estate market demand in Atlanta and the increasing loss of naturally-occurring affordable housing, the fund will help prevent the loss of publicly-subsidized and affordable market-rate multifamily housing properties by providing low-cost permanent financing to acquire or rehabilitate them. In order to offer below-market rents, property owners need long-term financing that is willing to accept a below-market rate of return while accepting real estate risk. The preservation fund provides lower-cost financing that replaces equity, which typically has the highest required rate of return.



This is a tool that should be targeted to any neighborhood where the City or the market are making investments that will increase desirability.

## Population / Estimated Impact

A preservation fund could fund \$25,000 - \$40,000 per unit, or about 40% of the entire funding gap for a unit for a household earning less than \$30,000, and 20% for a household earning less than \$20,000.

## Limitations

Impact is limited to number of existing projects. Existing housing stock may require significant rehab.

## Livable Buckhead Implementation

Similar to acquisition funds, Livable Buckhead should work with Invest Atlanta to ensure that the development of workforce housing in Buckhead is a priority in Atlanta. Additionally, Livable Buckhead has the opportunity to facilitate relationships between development partners and existing acquisition funds to match sources of subsidy with future development. Livable Buckhead should work with developers and Invest Atlanta to attract funding from existing preservation funds.



# EXISTING HOUSING TOOLS | PRESERVATION FUND

## Preservation fund structure in Atlanta

Below is a potential structure and operating model for an preservation fund. The City should work with potential funding partners and local developers to determine the most appropriate structure for Atlanta.

Potential Fund Structure	
<b>Borrowers</b>	<ul style="list-style-type: none"> <li>Existing affordable housing owners that are motivated to maintain the affordability and quality of their units.</li> <li>Nonprofit affordable housing developers interested in acquiring and preserving existing affordable properties if granted funding.</li> </ul>
<b>Investors</b>	The City, philanthropies, anchor institutions, and financial institutions.
<b>Fund Administrator</b>	<p>Experienced affordable housing lender, such as a Community Development Financial Institution or local bank.</p> <ul style="list-style-type: none"> <li>The fund administrator would hold all funds and be responsible for underwriting, approving, and monitoring loans using its established procedures. Loans made with City funds would be made within parameters established upfront via a funding agreement with the City and other investors.</li> </ul>
<b>Loan Purpose</b>	Acquiring naturally-occurring affordable housing or recapitalizing existing subsidized affordable housing to prevent it from being converted to market-rate. Loan products are low-cost mezzanine debt that replaces high-cost equity investments.
<b>Target Properties</b>	<p>The City and its partners will work together to develop specific criteria for properties selected for loans, potentially including but not limited to:</p> <ul style="list-style-type: none"> <li><b>Urgency:</b> At imminent risk of losing their affordability.</li> <li><b>Owner profile:</b> Have owners who are willing to work with the City to either preserve the affordability of their properties long-term or transfer it to another entity that will.</li> <li><b>Tenant profile:</b> House large numbers of tenants who will be displaced if properties are not preserved, potentially including extremely low-income tenants.</li> <li><b>Physical and financial distress levels:</b> Do not have extreme levels of distress.</li> <li><b>Geographic location:</b> Located in areas prioritized for preservation because they are experiencing rapid appreciation.</li> </ul>
<b>Loan Types</b>	Loans are fast-turnaround, low-cost and take mezzanine position behind traditional 1 <sup>st</sup> mortgages. The affordability restrictions that accompany the loans allow for some flexibility on rent levels to allow for adjustments to cover recapitalization costs.

## Description

Mission-oriented equity provides capital for ventures with social and environmental benefits<sup>1</sup>. In the context of Buckhead's housing strategy, there are a few sources of mission-oriented equity that could aim to preserve and expand the supply of affordable and workforce housing:

- A **Housing Partnership Equity Trust (HPET)** is a mission-driven REIT created to raise capital for affordable housing. HPETs specialize in acquiring naturally occurring affordable Class B and C multifamily properties and typically targets renters earning 60 to 80 percent of AMI<sup>2</sup>. HPET deals occur in partnership with nonprofit housing providers that own and operate housing units.
- An **Enterprise Community Loan Fund** is a non-profit Community Development Financial Institution that provides loan capital to community-based, non-profit, and mission-aligned for-profit, affordable housing and community facility developers. Enterprise's loan products for affordable housing and community facilities include: predevelopment loans, acquisition loans, bridge loans for LIHTC and Historic Tax Credit projects, mini-permanent loans for interim capital, and permanent financing through the U.S. Treasury Department's CDFI Bond Guarantee Program.
- **NOAH funds** aim to preserve naturally occurring affordable housing units that typically occur in Class B and Class C rental units. A NOAH equity fund could pool philanthropic, private, and public-sector capital to provide equity at low-market returns to enable the preservation of NOAH properties<sup>3</sup>. An example of a regional social impact fund is the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund.



## Limitations

The limitation of the affordable and workforce housing equity sources is that affordability is typically preserved for a fixed amount of time; this is not a comprehensive strategy for maintaining long-term affordability.

## Livable Buckhead Implementation

Livable Buckhead has the opportunity to facilitate relationships between development partners and existing mission-oriented equity sources to match sources of subsidy with future development. Livable Buckhead should work with developers and Invest Atlanta to attract funding from existing mission-oriented equity sources.

1. Addy, Chris, Maya Chorengel, Mariah Collins, and Michael Etzel. "Calculating the Value of Impact Investing." *Harvard Business Review*. January-February 2019 Issue. Accessed February 19, 2019.  
2. "Impact Investing Platforms Create New Equity Streams for Affordable Housing." *Urban Land Magazine*. Urban Land Institute. July 21, 2017. Accessed February 19, 2019.  
3. Bhatia, Aliya, and Miriam Keller. "Preserving Naturally-Occurring Housing Affordability in Metro Atlanta Neighborhoods". May 2018.

# EXISTING HOUSING TOOLS | TAX ABATEMENT

## Description

Tax abatement programs reduce or cut the required tax payment for single-family ownership or multifamily rental properties to increase the feasibility of providing affordable units within a development. Tax abatements can be offered either through direct abatement or rebate. The resulting subsidy from tax abatements can be applied limitedly to the affordable units, in turn restraining the amount of subsidy. Alternatively, the resulting subsidy can be applied to creating market-rate units in mixed-income developments, allowing for incorporation of deeper affordability requirements for those affordable units within the mixed-income development.

## Population / Estimated Impact

Tax abatement programs can create homeownership units as well as renter units. Policies typically target middle- and moderate-income households. Subsidy depends on the area of the city in which the unit is located, and will abate only up to the cost of a market-rate unit.

Estimated annual subsidy by income band\*:

- \$20,000 – \$4,600-\$10,400 annual
- \$30,000 – \$1,600-\$7,400 annual
- \$40,000 – \$0-\$4,400 annual
- \$50,000 – \$0-\$1,400 annual

*\*Estimates are based on annual subsidy required to afford average rents across studio, one-bedroom, two-bedroom, and three-bedroom units, averaged across zip codes for the Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area.*

## Limitations

Tax abatement reduces tax revenue from the City that may be used for public services, such as emergency services and parks. It requires an on-going reduction in taxes, not a one-time infusion. Additionally, complete tax abatement is often not enough to make a unit affordable to low-income households.



*Starting May 2018, Minneapolis, MN provides 40% tax abatement for income restriction of 20% of all units at 60% of AMI.*

# EXISTING HOUSING TOOLS | HOUSING OPPORTUNITY BOND FUND

## Description

Invest Atlanta administers several loan programs to support the development of workforce housing<sup>1</sup>. In early 2017, the Atlanta City Council approved the issuance of \$40 million of Housing Opportunity Bonds. The Housing Opportunity Bond Fund (HOB) provides gap financing to developers for the acquisition, construction, or renovation of affordable workforce housing units. The fund is used for low-interest loans and may be used in conjunction with conventional, bond, or other private or public financing. Each housing project financed with the Housing Opportunity Bond Fund is regulated by a land use restriction agreement for at least fifteen years. Eligible developments must set aside at least 20% of the units of comparable size and finish of market rate units to persons at 60% of the AMI, and 15% of the units must be set aside for market-rate tenants. Loans cannot exceed the lesser of \$25,000 per affordable unit or 20% of the capital stack.



## Population / Estimated Impact

The Housing Opportunity Bond Program was first established in 2007. Between 2007-2017, Invest Atlanta produced over 2,200 affordable housing units, leveraging over \$260 million in capital investment<sup>2</sup>.

## Limitations

The loan requires affordability to be maintained for the greater of 15 years or when the loan is paid off; the Housing Opportunity Bond Fund does not require permanent affordability. Furthermore, Buckhead must convince the City of Atlanta that developing workforce housing in Buckhead is a priority.

1. "Supporting Residential Housing Development." Invest Atlanta. Accessed April 20, 2019.

2. "Newly Closed Housing Opportunity Bonds to Fund Affordable Housing Initiatives." Invest Atlanta. Accessed February 19, 2019.

# EXISTING HOUSING TOOLS | INVEST ATLANTA TOD FUND

## Description

In late 2018, Invest Atlanta announced the creation of a \$15 million transit-oriented development (TOD) fund to provide below-market, patient capital to support the acquisition and pre-development of workforce housing near transit nodes, including MARTA stations, the Atlanta Streetcar, and the Atlanta BeltLine<sup>1</sup>. The goal of the fund is to create more affordable living options near transit and with improved access to major employment centers. The fund will provide low-interest and long-term loans to both private and nonprofit affordable housing developers. Approximately two-thirds of the capital for the loan fund is provided by the Enterprise Community Loan Fund and Low Income Investment Fund. Both of these funds are examples of mission-based equity. In San Francisco, Seattle, and Denver, Enterprise Community Loan Fund and Low Income Investment Fund have implemented similar funding mechanisms.

## Population / Estimated Impact

Based on the initial capitalization, the fund might be able to support 800-1,000 units.

## Limitations

The fund applies to sites near existing transit options and needs to be coupled with complementary efforts to bring transit to underserved portions of the region. Furthermore, Buckhead must convince the City of Atlanta that developing workforce housing in Buckhead is a priority.



Recent TOD developments supported by the City of Atlanta via Invest Atlanta include:

- King Memorial MARTA TOD
- Edgewood-Candler Park MARTA TOD
- 161 Peachtree
- The Avery at Underground

1. "Invest Atlanta Announces Atlanta's First Transit-Oriented Development Fund". Invest Atlanta. Accessed April 20, 2019.

# EXISTING HOUSING TOOLS | ACCESSORY DWELLING UNITS

## Description

Accessory dwelling units (ADUs) are additional living quarters located on single-family lots that are independent of the primary single-family residence. They tend to take the form of an extra above-garage unit, external tiny houses, or basement apartments. Due to their smaller size and lower development costs, they tend to be a tool for increasing supply of naturally-occurring affordable housing. Additionally, ADUs provide homeowners with supplemental monthly income to subsidize their own mortgage payments, supporting affordable homeownership. They also support “aging in place” by aiding senior homeowners on fixed incomes maintain homeownership, and by enabling seniors to live independently, but in close proximity to family and caregivers.

## Population / Estimated Impact

ADUs target rental households through creation of affordable units, and additionally support affordable homeownership. Policies target all income levels. The number of ADUs built depends on zoning and building code requirements.

### Estimated impact by income band:

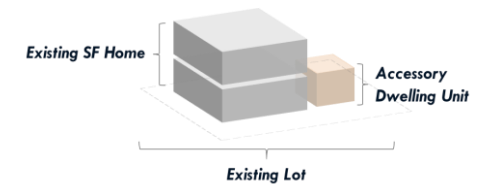
- \$20,000 – Limited
- \$30,000 – 25-100 annual units
- \$40,000 – 25-100 annual units
- \$50,000 – 25-100 annual units

HR&A conservatively estimates limited impact on affordability for households under \$20K because the cost of construction on a new ADU unit usually cannot support rents less than \$500 per month. However, research has shown that 58% of ADU owners often rent out their properties below market value or for free<sup>1</sup>, often to friends and family, reducing the overall demand for affordable housing. Atlanta ADU estimates are based on annual production rates from recent ADU legislation in Portland, OR, Santa Cruz, CA, and Los Angeles, CA, using estimates of Atlanta lot sizes, and single-family zoning allowances.

## Limitations

ADUs increase the density of single-family neighborhoods, and are often unpopular in stronger markets, where they would be the most effective in expanding access and affordability. Without a dedicated effort to expand zoning and allow these units, production of these units is generally very low and does not justify the high initial construction cost. Additionally, ADUs have faced neighborhood opposition in Atlanta.

1. Garcia, David. “ADU Update: Early Lessons and Impacts of California’s State and Local Policy Changes”, 2017



Los Angeles accessory dwelling unit. Due to changes in statewide legislation, ADU applications in Los Angeles spiked in 2017 to 1,980, from 80 in 2016. <sup>1</sup>

## EXISTING HOUSING TOOLS | ACCESSORY DWELLING UNITS

### ADUs in Buckhead

In May 2017, Atlanta approved amendment to the existing city zoning code allowing for the creation of accessory dwelling units in certain areas of the city zoned as “two-family residential,” affecting Grant Park, Old Fourth Ward, Edgewood, Candler Park, Inman Park and others. The amendment allows a secondary unit on a single-family lot that is less than 750 square feet, and eliminates the requirement for off-street parking. Atlanta has the opportunity to allow for the creation of ADUs throughout the City, especially in North Atlanta neighborhoods.

There was substantial community support at the Equitable Housing Assessment community meetings, and as of April 2018, City Council is considering a host of changes to the City’s zoning, including expanding zoning to allow ADUs in more residential neighborhoods. However, there is neighborhood opposition to the increased density and perceived strain on parking that would result from ADUs.

ADUs can serve as valuable “low-hanging fruit” that expands access to stronger markets, increases affordability, and can provide a source of valuable income to homeowners. Buckhead could consider increasing awareness and education around ADUs, match sources of subsidies to expand affordability of ADUs, and expand zoning in certain areas to allow ADU by-right.



*Existing ADU unit in Austin, TX.*

# EXISTING HOUSING TOOLS | REDUCED PARKING

## Description

The availability and cost of parking are significant factors that influence commuter behavior. Both the City of Atlanta and Buckhead implement parking tools to reduce drive-alone commutes. Currently, the Buckhead Parking Overlay District has no parking minimums.

## Proposed Parking Tools

- **Parking cash-out** is the practice of employers providing the option for employees to receive either cash or an equivalently-valued amount for commuting by other means, rather than providing a parking benefit.
- **Transportation Benefit Districts** can influence and manage parking supply via collecting revenue from users, coordinating shared-parking arrangements, and managing on- and off-street pricing. The activities of the Transportation Benefit District would be funded by a parking tax. The tax could be collected either from parking sales per transaction or through a per space levy on existing parking spaces<sup>1</sup>.
- **On-street parking enhancements** would involve both upgrading technology to allow for real-time monitoring of available spaces as well as implementing a performance-pricing program, which would price parking according to demand.



## Limitations

There is a need to demonstrate to stakeholders the value in limiting parking, and particularly that new developments with limited parking can be financially feasible.

1. Central Atlanta Progress, Foursquare ITP, Atlanta's TDM Strategy



# **APPENDIX**

## **Reducing New Car Commutes**

# REDUCING NEW WORKER CAR COMMUTES | SUBSIDIZED TRANSIT PASS

## Description

Subsidizing transit passes could involve providing either pre-tax benefits through employers or direct subsidies for the cost of transit passes through employers or residential property owners.

## Existing in Atlanta and Precedents

Buckhead has provided unlimited transit passes at a 20% discount to Buckhead commuters via their employers and property managers. Beginning in 2020, Seattle employers with 20 or more employees will need to offer pre-tax transit passes for their employees. The Commuter Benefits Ordinance will require employers to offer partial or fully subsidized employer-provided transit passes or at the minimum, participation in a commuter benefits program<sup>1</sup>.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that providing subsidized transit passes could potentially reduce car commutes by up to **23%** in Buckhead<sup>2</sup>. Survey results support the potentially significant impact of discounted transit passes; 50% of Buckhead commuter survey respondents said that a discounted transit pass would change their commuting behavior.

## Limitations

There is limited precedent of residential property managers subsidizing transit passes for residents. Though reducing the cost of transit passes could potentially have the greatest impact on reducing commutes, there could be challenges in implementation. Typically, subsidized transit pass programs are organized as partnerships between the transit agency and local employers.



**50%** of Buckhead commuter survey respondents said that a discounted transit pass would change their commuting behavior.

1. *Seattle's Commuter Benefits Ordinance*

2. *Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018*

# REDUCING NEW WORKER CAR COMMUTES | UNBUNDLED PARKING & PRICING

## Description

Unbundling parking refers to separating parking cost from building cost; additionally, varying or increasing the pricing of parking can be an effective strategy to influence trip mode choice, particularly where there are alternative modes of transportation available. In terms of residential development, unbundling parking or modifying parking pricing could involve building with significantly reduced parking, requiring payment for parking separate from the cost of rent, or identifying opportunities for shared parking programs.

## Existing in Atlanta and Precedents

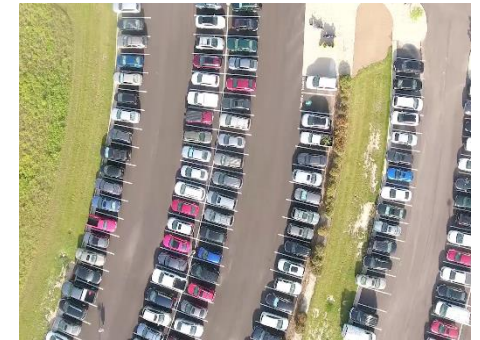
Though there are limited precedents in Atlanta for unbundling parking, there are numerous, successful national precedents. For example, Related Beal's Lovejoy Wharf in Boston eliminated a parking garage that was part of its original development plans due to the buildings' proximity to multiple transit lines<sup>1</sup>. Furthermore, precedents for adjoining complementary uses that share parking provide a potential model for eliminating on-site parking.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that unbundling parking and parking pricing could potentially reduce car commutes by up to **20%** in Buckhead<sup>2</sup>. Furthermore, unbundling parking could have financial impacts on development feasibility due to the high cost of structured parking spaces; the cost of one space is nearly equivalent to the cost of one additional subsidized unit in a mixed-income development.

## Limitations

In Atlanta, there is a lack of precedents for residential developments that are built without parking spaces, and there may be barriers to building residential properties with unbundled parking. Though parking pricing can influence decisions regarding mode of transportation, it is primarily effective when other alternative choices are available.



The cost of 1 structured parking space is **\$20-30K** and the cost of 1 additional subsidized unit in a mixed income development is **\$24-40K**.

1. Acitelli, Tom. "Sales at Revolutionary Lovejoy Wharf to Start This Spring." *Curbed Boston*. March 02, 2017.  
2. Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018

# REDUCING NEW WORKER CAR COMMUTES | CARSHARE ACCESS

## Description

Carsharing is a model of short-term car rental that offers individuals an option other than conventional car ownership. Conventional carshare programs typically operate on membership plans and provide cars that can be rented out by the hour or day; other carshare programs allow car owners to rent out their cars to others.

## Existing in Atlanta and Precedents

Zipcar, Enterprise CarShare, and HyreCar provide carshare services in Atlanta. Zipcar and Enterprise CarShare provide cars that can be rented by the hour or day, and these cars are often located near MARTA stations and universities. Alternatively, HyreCar allows car owners to rent out their personal vehicles for others to use. New York City offers an example of an effort to expand carshare. In 2018, the City announced a plan to set aside dedicated parking spots for carshare vehicles; additionally, both Enterprise CarShare and Zipcar will be offering discounts to NYCHA residents citywide<sup>1</sup>.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that improved carshare and carshare access could potentially reduce car commutes by up to **10%** in Buckhead<sup>2</sup>. Improving carshare access could entail both employers and residential property managers providing dedicated parking spaces for carshare vehicles. Alternatively, employers or residential property managers could subsidize the cost of carshare membership.

## Limitations

There may be opposition to establishing dedicated parking spaces for carshare vehicles on both public and private parking spots. Additionally, there is a lack of incentives for employers and residential property managers to subsidize the cost of carshare membership.



1. NYC DOT Carshare Pilot

2. Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018

# REDUCING NEW WORKER CAR COMMUTES | IMPROVED TRANSIT ACCESS

## Description

Improving transit access and service addresses the connections between activity centers or transit stops and final destinations, such as residences, offices, or retail nodes. These first and last mile connections are typically made through walking, biking, shuttles, bus, rideshare, or private automobile. The focus of improving transit access and transit service is linking destinations and transit services through alternatives to private automobiles.

## Existing in Atlanta and Precedents

In Buckhead, the Buc community shuttle provides free connections between the area's retail amenities, hotels, offices, and MARTA stations. The service began in 2003 and provides commuter service to MARTA stations: Buckhead Station to Piedmont Center, and Lenox Station to Lenox Park. In 2016, Tampa, FL implemented a pilot program for micro-transit; the service operates in a zone rather than a route, and riders use an app to request a ride to the nearest transit stop.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that improved transit access could potentially reduce car commutes by up to **8%** in Buckhead.

## Limitations

Though Buckhead offers the Buc shuttle, there is limited utilization and awareness of last-mile services. An ongoing study is evaluating the performance of the Buc shuttle. Furthermore, while subsidized transit passes are a significant incentive for the use of transit, the quality and accessibility of the transit are key considerations. Improving this quality and access could potentially require a larger investment.



1. Descant, Skip. "Tech Enables Better On-Demand Services for Transit Agencies." *Government Technology State & Local Articles*.
2. Atlanta's Transportation Plan, *Multimodal Urban Growth Model 2018*

# REDUCING NEW WORKER CAR COMMUTES | INTERNAL TRIP CAPTURE

## Description

Internal trip capture generally applies to mixed-use development. Internal trip capture refers to the portion of internal trips generated by a mixed-use development. Since both the origin and destination of these trips are within the development, these trips do not require usage of the external road system.

## Existing in Atlanta and Precedents

An array of new mixed-use developments are under construction in Atlanta communities, and most of these projects include an element of travel that does not involve a car<sup>1</sup>. Atlanta Regional Commission has dedicated 119 Livable Centers Initiative areas where the goal is to create dense, walkable communities.



## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that internal trip capture could potentially reduce car commutes by up to **5%** in Buckhead<sup>1</sup>.

## Limitations

Internal trip capture typically refers to mixed-use development and creating walkable environments. Implementing internal trip capture strategies would require significant investment and coordination of multiple stakeholders.

1. Cauley, H.M. "Mixed-use development booming in metro Atlanta area". *Atlanta Business Chronicle*. August 3, 2018.  
2. *Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018*

# REDUCING NEW WORKER CAR COMMUTES | CARPOOL AND VANPOOL

## Description

Carpool and vanpool are common forms of ridesharing. Carpooling consists of two or more commuters, including the driver, who ride to work together. Vanpooling often consists of five to fifteen commuters and provides a commute option for employees headed to the same or adjacent work sites.

## Existing in Atlanta and Precedents

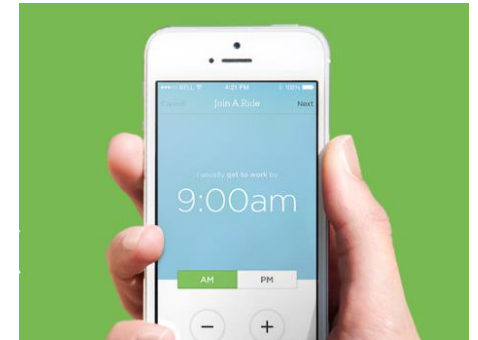
Vanpools and carpools could be organized within an employer, but Atlanta offers additional online and mobile platforms for ride matching. Furthermore, carpools with three or more people are eligible for monthly gas cards. In Seattle, Waze and Scoop launched mobile apps to help users find, connect, and ride with each other<sup>1</sup>. Similarly, in Seattle, a high occupancy vehicle system consists of a network of highway lanes linking employment and population centers<sup>2</sup>.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that expanding carpool and vanpool could potentially reduce car commutes by up to **2%** in Buckhead<sup>3</sup>.

## Limitations

Currently, there is limited utilization of carpool and vanpool matching platforms. Through either improving accessibility of these platforms or providing further incentives for individuals using carpool and vanpool, there is the potential to increase use of this form of ridesharing.



1. Baruchman, Michelle. "Waze Launches Free Carpool App in Washington State Matching Drivers, Riders." *The Seattle Times*. March 20, 2018.
2. *High Occupancy Vehicle (HOV) Lanes*, Washington State Department of Transportation.
3. *Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018*

# REDUCING NEW WORKER CAR COMMUTES | BIKE FACILITIES

## Description

Improving bike facilities could involve a number of strategies such as increasing bicycle parking, improving bicycle parking facilities, improving bike lane infrastructure, subsidizing bike share membership, adding bike amenities to multifamily developments, and implementing or expanding bikeshare programs.

## Existing in Atlanta and Precedents

Atlanta's Relay Bike Share is a public bicycle sharing system with approximately 70 hubs across Atlanta. Existing regulations require bicycle parking for multi-family and non-residential developments. Some new developments along the BeltLine have added further amenities such as free bike rentals, self-serve bike shops, and secure bike storage.

## Potential Impacts

Atlanta Transportation Plan's Multimodal Urban Growth model estimates that improving bike facilities could potentially reduce car commutes by up to **1%** in Buckhead<sup>1</sup>.

## Limitations

Improving bike facilities or expanding access to bikes would have a limited impact on commute reduction. Although residential property managers can provide on-site bike facilities or amenities, district-scale improvement of bike infrastructure networks would require coordination between many stakeholders and further investment.



1. Atlanta's Transportation Plan, Multimodal Urban Growth Model 2018



# **APPENDIX**

## **Reducing Overall Car Commutes**

### 3. REDUCING OVERALL CAR COMMUTES

Buckhead's housing strategy must align with ongoing transportation initiatives. In comparison to cities such as Seattle, Washington DC, or Chicago, Atlantans drive more, and Atlanta is one of the more congested large urban areas. Atlanta must adopt a comprehensive action plan for improving mobility. Buckhead REdeFINED, Atlanta's Transportation Plan, and Atlanta City Design outline a vision for Atlanta that is less dependent on cars. Through addressing current and future needs, all of these plans provide strategies for reducing overall commutes and accommodating envisioned growth.



**BUCKHEAD REDEFINED** | In 2016-2017, Livable Buckhead organized five major civic organizations in Buckhead to develop a vision for the community's future. Buckhead REdeFINED identifies three key themes to guide Buckhead's future: Mobility, Vitality, and Livability. Buckhead REdeFINED outlines six big ideas as components of this vision, including the development of a district-wide multi-use trail, activation of a continuous network of streets and destinations, mobility enhancement to and from GA400, fostering a distinctive Buckhead identity along Lenox Road, diversification of housing opportunities, and defining the civic heart of the community through parks and greenspace.

**ATLANTA'S TRANSPORTATION PLAN** | Atlanta's Transportation plan includes projects and policies to accommodate the city's future growth: safer streets, data collection, placemaking, inclusive zoning, open far payment, implementation of high capacity transit, development and implementation of a Transportation Demand Management Program, improving the bicycle and pedestrian network, and adopting new smart city approaches.

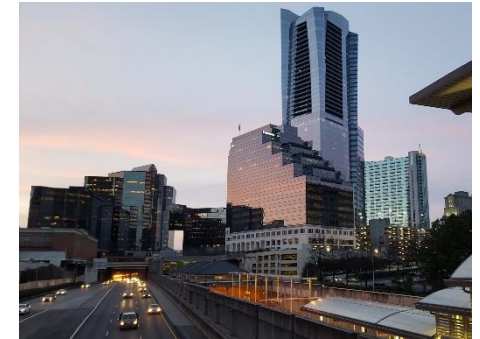
**ATLANTA CITY DESIGN** | The Atlanta City Design is a guiding document for the City of Atlanta released in 2017; the Atlanta City Design provides a framework for inclusive growth that could translate into a mobility plan, zoning ordinance changes, conservation and preservation efforts, housing strategy, and other tools and plans. The document identifies the necessity to transition to a city that is less dependent on cars. Strategies could include prioritizing transit investment and last-mile connectivity, expanding non-vehicular connectivity, encouraging density near transit, generating revenue from off-street parking, converting regulations to parking maximums, and eliminating parking requirements near transit.

# REDUCING OVERALL CAR COMMUTES | BUCKHEAD REDEFINED

Buckhead REdeFINED’s Vision centers around three fundamental themes: vitality, mobility, and livability. The goal of vitality, or placemaking, is to create usable public spaces that complement existing resources to create more vibrant places. The mobility theme delineates a vision to expand the connectivity in, around, and throughout Buckhead. Finally, the theme of livability refers to improving the quality of life and strengthening community bonds through programmatic and policy changes.

Regarding mobility, Buckhead is currently a transportation hub with major transit stations and roadway corridors, and it is challenged by high traffic demand. Buckhead Redefined envisions a balance of mobility options that improve connectivity and encourage the use of transit. The mobility vision outlines four strategies to address the goal of improved connectivity. A vehicular framework will identify roadway enhancements, new street connections, and key intersection improvements. The bicycle and pedestrian framework will improve the accessibility and safety of bicycle and pedestrian facilities, further expanding Buckhead’s multi-modal network. The transit framework aims to improve last mile connectivity through expanded shuttle services, enhanced sidewalk connections, and expanded transportation demand management strategies. The transportation-housing connection will match Buckhead employees to Buckhead residences as a way to reduce commuting through the district.

Accommodating local workers in new housing while implementing strategies to reduce traffic congestion must align with Buckhead REdeFINED’s overall vision for mobility.



Source: Buckhead REdeFINED Report

## REDUCING OVERALL CAR COMMUTES | ATLANTA'S TRANSPORTATION PLAN

Atlanta's Transportation Plan identifies three goals: improve the safety for users of the transportation system, manage the circulation and maximizing mobility within existing infrastructure, and provide affordable and accessible transportation options. In the status quo, Atlanta faces challenges such as uneven opportunities, unpreparedness for growth and traffic congestion, unsafe pedestrian and bicyclist conditions, and expensive travel. The Atlanta Transportation Plan describes policy and program recommendations to address these challenges and work towards improving safety, mobility, and affordability.

In order to improve safety, proposed programs would create and manage a data-drive process to identify and improve streets that contribute to traffic injuries while also focusing on streets as an opportunity for placemaking via public art and green space. Priorities for affordability focus on citywide rezoning to enable growth and affordable housing in transit-served areas and simplifying fare payment. Maximizing mobility includes projects to implement high capacity transit, developing and implementing a Transportation Demand Management program, expanding multimodal networks via improved sidewalks and bike facilities, and adopting smart city approaches and technologies. The City of Atlanta developed a plan to allocate short-term funding to work towards the vision of the Transportation Plan: 44% of funds will be allocated to pedestrian projects while 42% of funds will be allocated to transit projects.

In the context of Buckhead's housing strategy, implementing transportation demand management programs to reduce the commutes of both residents and workers aligns with an overall vision of expanded, connected multi-modal networks and more affordable transit options.



Source: Atlanta's Transportation Plan, 2018

## REDUCING OVERALL CAR COMMUTES | ATLANTA CITY DESIGN

The Atlanta City Design is a document that proposes a framework for inclusive growth in Atlanta. The framework should guide a new mobility plan, zoning ordinance changes, conservation and preservation efforts, housing strategy, and other tools and plans.

The primary challenge to increasing access is the necessity to update Atlanta's hub of transportation for a new generation while simultaneously building a sense of community. As Atlanta faces increasing density and traffic, it becomes crucial to implement strategies to transition to a city less dependent on cars. Transportation priorities within the Atlanta City Design include designing transportation investments that enable balanced and reliable choices for people, implementing a citywide transportation network that prioritizes transit investments where growth is desired, and emphasizing last-mile connectivity for new and existing transit networks through ridesharing, bikeways, and improved sidewalks. Additionally, the Atlanta City Design articulates the necessity to expand non-vehicular connectivity and to price parking appropriately to eliminate incentives for driving.



*Source: The Atlanta City Design: Aspiring to the Beloved Community*