

BeltLine Affordable Housing Advisory Board

Statement of Guiding Principles

February 13, 2008

Introduction

This document serves as a statement of guiding principles for the BeltLine Affordable Housing Advisory Board ("BAHAB"). BAHAB intends to use these principles as a foundation and framework for evaluating key policy recommendations moving forward.

BAHAB Framework

This framework will guide the creation of affordable housing ("AH") trust fund policy that (1) facilitates housing near jobs for working families who are otherwise priced out of this close-in housing market, and (2) serves as a catalyzing agent for the revitalization of communities along the BeltLine development area that have experienced disinvestment and decay, and (3) supports the mitigation of involuntary economic displacement of existing residents and preserving housing assets near the Beltline to the greatest extent possible.

We understand that investments made by the BeltLine AH Trust Fund can only occur inside the actual Tax Allocation District ("TAD") boundaries, while acknowledging that the impacts of BeltLine development will be felt in a larger area. These impacts may therefore require additional policy recommendations with a broader reach. Finally, we acknowledge and accept certain overarching principles that have been adopted by the political leadership, community leaders, lenders and developers:

- Housing should be mixed-income, wherever possible (at least 50% market rate).
- Where feasible, we prefer owner-occupied housing, but view a balance of owner-occupied and rental as essential to an equitable housing strategy.
- We wish to avoid an over-concentration of low-income units.
- A discernable impact on community revitalization can be best realized by strategically targeting and leveraging AH subsidies in coordination with other public funding sources, including city, state and federal.
- Consistent with the current Consolidated Plan and the 2006 report of the Workforce Affordable Housing Implementation Taskforce, we concur with the City's priority of providing housing for low and very-low income families (between 30% and 80% of AMI).

- To improve public health and the environment, housing should be constructed in accordance with an existing certified “green construction” set of standards, such as EarthCraft or LEED.
- We prefer to preserve the public subsidy for long-term affordability while allowing the resident to capture some of the equity build-up.

Geographical Targeting

The mandate for wide and equitable distribution of TAD-funded affordable housing is based on the twin premises that housing is most needed where jobs are located and that an over-concentration of AH in any one area is not optimal policy. The July 2006 BeltLine Plan of Work focuses on six economic development areas, all of which are in lower-income areas. We agree that affordable---and mixed-income---housing can be strategically deployed as an important and coordinated element in developments designed to foster revitalization and economic sustainability in certain targeted neighborhoods. On the other hand, it is also important that affordable and mixed-income housing be targeted in more affluent areas, where jobs, services and amenities are plentiful, despite high land costs.

Income Targeting

Given limited resources, we seek an appropriate balance between the conflicting mandates of targeting households of greater need and providing more units by targeting relatively higher income households. Households of greater need may require higher subsidy, resulting in fewer overall units. Similarly, the lower the income targeting, the more sources of public funding are generally necessary, which gives rise to the requirement that the programs be coordinated and consistent with other public housing subsidy programs.

Owner-occupied Housing

Owner-occupied housing, both new construction and rehabilitation, can assist in creating sustainable, stable neighborhoods. However, we recognize that the proliferation of mortgage foreclosures and the collapse of some mortgage lenders will dampen, perhaps dramatically, the supply of mortgage capital for all home buyers – including low-income buyers, at least in the near term. While we understand the virtues of owner-occupied housing, the question of occupant sustainability is paramount. We are aware that we must not facilitate housing for families that they cannot afford over the long term.

Realizing that in the current subsidy and housing market, owner-occupied affordable housing requires substantially more subsidy per unit than rental affordable housing, BAHAB will strive to provide home ownership opportunities to the lowest income ranges feasible.

Rental Housing

While BAHAB will strive to provide homeownership opportunities to the lowest income ranges feasible, many Atlanta families cannot afford to buy or do not want to buy owner occupied housing. Therefore, rental housing will be an essential component to an equitable housing policy moving forward. In addition to owner occupied housing, rental housing will help provide a balance of housing choice around the BeltLine.

Gentrification and Preservation.

Gentrification frequently results in the involuntary displacement of existing residents in a given neighborhood because of a market-driven rise in property values resulting in increasing rent or property taxes, which renders the housing unaffordable. Preservation is a strategy to counter this market tendency, utilizing public interventions such as tax abatements, rent restrictions and direct funding, to maintain housing for lower-income families at affordable cost levels.

We encourage working with and through other interested organizations to protect the long-term sustainability of the neighborhoods surrounding the BeltLine, and to mitigate the consequences of gentrification in and around the BeltLine TAD by preserving what affordable housing already exists. This approach is also consistent with our desire to preserve the historical character of neighborhoods. We seek to achieve our goals while proactively attempting to mitigate involuntary economic displacement of residents.

Definition of Quality Affordable Housing

We define “quality” affordable housing as housing with good design, durable materials, sustainable / green design, in close proximity to services and transit, and with appropriate density and unit sizes.

Terms and Conditions of Fund Investment

The Trust Fund investments ought to be flexible and more equity-like to enhance deal feasibility and long term sustainability. Added complexity and onerous requirements will only worsen the already difficult task of developing affordable housing. We strongly encourage Trust Fund investments to align to the fullest extent possible with other public funding programs.

Partners

We consider working closely with our BeltLine colleagues (the TAD Advisory Committee (TADAC), BeltLine Partnership, Atlanta Development Authority, and the City of Atlanta Bureau of Housing) and affected communities to be of paramount importance.

This page is intentionally left blank

APPENDIX A

Legislative Framework

The authorizing legislation and bylaws of the BAHAB mandate three goals:

- Make recommendations to the Atlanta Development Authority and City Council on goals and policies related to the BeltLine Affordable Housing Trust Fund, which funds are to be deployed on residential developments inside the BeltLine Tax Allocation District (“TAD”)
- Coordinate with other City affordable housing (“AH”) programs
- Monitor location of AH throughout the BeltLine for equitable distribution

That legislation and other legal organizing documents relative to affordable housing also provide that:

- The goal is at least 5,600 affordable units over the 25-year build-out of the BeltLine.
- 15% of bond proceeds are to be set-aside in the trust fund for AH (estimated \$240 million over the 25 year buildout of the BeltLine)

A 2005 intergovernmental agreement between the Atlanta Public Schools and the Atlanta Development Authority states the following:

- “to the extent permitted by law.... no less than 15% of the Trust Fund shall be made first available for the benefit of educators and staff employed by Atlanta Public Schools.....”

Finally, BAHAB and BAHAB funded projects must adhere to all applicable Federal, State and Local laws.