



Department of

CITY PLANNING

INCLUSIONARY ZONING REPORT

Released January 2021

RIBBON CUTTING AT IZ PROJECT #1, ADAIR COURT (ALSO PICTURED BELOW)
PHOTO COURTESY OF CITY OF ATLANTA



CITY OF ATLANTA
OFFICE OF HOUSING & COMMUNITY DEVELOPMENT
**INCLUSIONARY
ZONING REPORT**



Released January 2021

Available online at www.atlantaga.gov/iz



Department of
CITY PLANNING



PURPOSE

The purpose of this report is to provide an overview of the Inclusionary Zoning program in the City of Atlanta, including the goals for the program and the progress towards achieving the goals to date. The report reviews the IZ program from January 26, 2018 through December 31, 2020.

SUMMARY

Inclusionary zoning (IZ) and the IZ program in Atlanta have several goals, including increasing the number of affordable housing units in the city and providing low- and moderate-income residents access to low-poverty neighborhoods near employment centers and public and private amenities. In examining the City's progress towards these goals, we found:

- Since implementation of a mandatory Inclusionary Zoning program in the BeltLine and Westside Atlanta neighborhoods in January 2018, there are 362 new affordable housing units in some stage of development.
- Most affordable units are designated for households with incomes at 70-80% of area median income (AMI) while the rest are designated at or below 60% of AMI.
- There was an increase in multifamily building project permits issued citywide and inside the IZ area from 2015–2020, indicating that the IZ program was not related to a reduction in new multifamily developments. Additionally, there is not evidence that developers are building townhomes instead of multifamily developments to avoid IZ program requirements.

BACKGROUND

Inclusionary zoning (IZ) is a regulatory tool that links the production of affordable housing to the production of market-rate housing. Most U.S. cities using inclusionary zoning policies or programs require developers who are building rental or for-sale units in particular areas to set aside a certain percentage of their housing units to be affordable to low- or moderate-income residents. In fact, in over 500 U.S. localities across cities, suburbs, and towns, IZ programs have been adopted to increase the availability of below-market rate housing (Hickey, Sturtevant & Thaden, 2014).

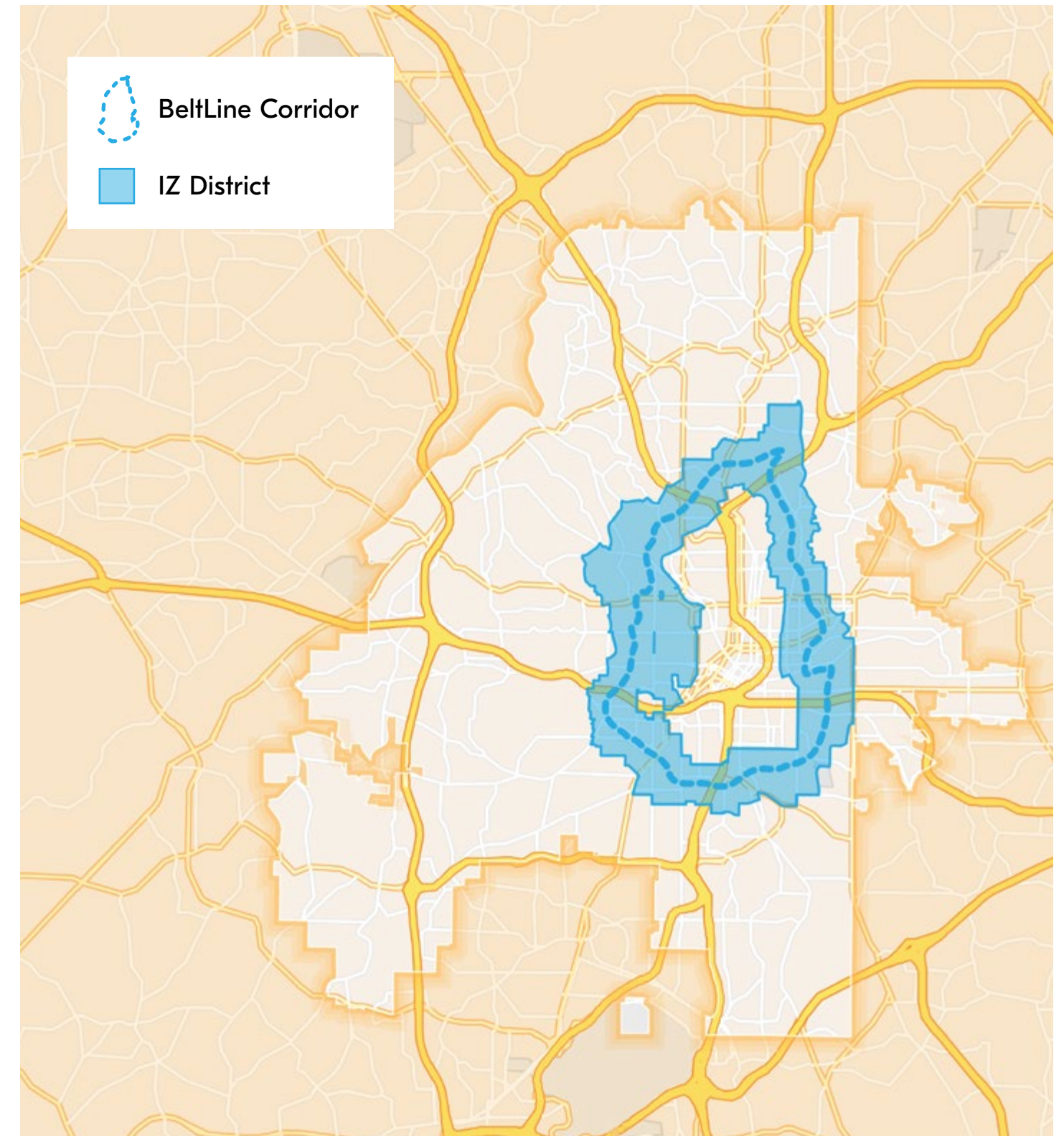
IZ programs may be especially important in areas where there has been an influx of public investment that drives increases in housing prices. In Atlanta, the BeltLine and major parks have been key public investments in recent years, increasing the public and private amenities of neighborhoods in surrounding areas. The adoption of IZ programs is meant to ensure that benefits of new development and infrastructure can be shared by residents who cannot afford to pay the market-rate for housing. IZ programs have proven to be one of the housing interventions that has provided low- and moderate-income residents housing in neighborhoods where there is access to amenities like high performing public schools, public services, and job opportunities (Jacobus, 2015).

The Center for Housing Policy summarized five key factors associated with successful IZ programs including: 1) strong housing markets; 2) mandatory rather than voluntary programs; 3) incentives to offset developer costs; 4) predictable programs with clear guidelines; and 5) flexible compliance options (Sturtevant, 2016). The City of Atlanta has several of these program attributes, indicating that the groundwork is set for a successful IZ program. Although the evidence of the effectiveness of IZ programs is mixed, in part because many studies examine IZ in only a handful of places where findings cannot be generalized, the best empirical evidence to date suggests that IZ programs can create affordable housing units while not inducing significant declines in new housing development or increases in market-rate housing prices (Sturtevant, 2016). Next, we review the IZ program in the City of Atlanta.

IZ PROGRAMS HAVE PROVEN TO PROVIDE LOW- AND MODERATE-INCOME HOUSING IN NEIGHBORHOODS THAT GIVE RESIDENTS ACCESS TO AMENITIES LIKE HIGH-PERFORMING PUBLIC SCHOOLS, PUBLIC SERVICES, AND JOB OPPORTUNITIES (JACOBUS, 2015).

Following sustained discussions with a wide variety of stakeholders and multiple rounds of community engagement, in November of 2017, the Atlanta City Council adopted four (4) ordinances to establish the Inclusionary Zoning program in the BeltLine Overlay District and in the Westside neighborhoods near the Mercedes-Benz stadium. The key goals of the IZ program were to: promote affordable housing for Atlantans who live and work in the City of Atlanta, ensuring diverse housing options continue to be available for persons and/or households at or below Area Median Income (AMI); foster neighborhood diversity in race, income, and age; and provide incentives to developers to increase the number of affordable housing units. Participation in the IZ program for developments in the BeltLine Overlay District and in the Westside neighborhoods is mandatory and not voluntary on the part of developers; however developers have the option to opt-out of the program by paying an in-lieu fee.

FIGURE 1: INCLUSIONARY ZONING AREAS IN THE BELTLINE AND WESTSIDE ATLANTA NEIGHBORHOODS



TIMELINE OF IZ PROGRAM 2018-2020



TOTAL AFFORDABLE UNITS IN PIPELINE:
362 (AS OF DECEMBER 2020)



ATLANTA BELTLINE: EASTSIDE TRAIL
PHOTO COURTESY OF BELTLINE, INC.

ATLANTA’S INCLUSIONARY ZONING
PROGRAM REQUIREMENTS

The City of Atlanta’s IZ policy ensures that a portion of new multifamily rental units in areas of high public investment are affordable to low- and moderate-income households. The program provides developers of multifamily rental housing three options: 1) set aside 10% of units for households at 60% AMI; or 2) set aside 15% of units for households at 80% AMI; or 3) pay an in-lieu fee to opt out of the program. The households benefitting from this policy do not only gain access to affordable housing, but also potentially access to high-quality public and private amenities. Additionally, by promoting the availability of affordable housing near job centers, the program can alleviate the need for long commutes.

To incentivize participation in the City of Atlanta’s Inclusionary Zoning program, developers who participate can have density bonuses (15% of additional floor area ratio), reduced minimum parking space requirements, fast track approval, tax abatements, and fee waivers to offset costs associated with providing affordable housing units. Inclusionary Zoning is applicable to developments in the BeltLine Overlay District and the Westside Affordable Workforce Housing District (see Figure 1). For developers who chose to opt-out of building below market-rate housing units, they instead can pay an in-lieu fee. As of the date of this report’s publication, no developer has chosen an in-lieu fee. In the event that a developer chooses the in-lieu fee option, they must pay a fee based on the estimated cost of the City providing that unit in the same portion of the BeltLine. Therefore, in-lieu fees are dependent on the subarea of the BeltLine in which the developer is building. If the developer is constructing units in the Westside neighborhoods and chooses the in-lieu fee option, they would pay the in-lieu fee for the adjacent BeltLine subarea.

- THREE OPTIONS
FOR DEVELOPERS:
- 1. SET ASIDE 10% OF UNITS FOR HOUSEHOLDS AT 60% AMI,
 - 2. SET ASIDE 15% OF UNITS FOR HOUSEHOLDS AT 80% AMI, OR
 - 3. PAY AN IN-LIEU FEE TO OPT OUT OF THE PROGRAM



THE 1300: A BELOVED INSPIRED COMMUNITY IS A NEW DEVELOPMENT FROM CITY OF REFUGE THAT WILL BRING AFFORDABLE HOUSING TO THE BANKHEAD NEIGHBORHOOD.
PHOTO CREDIT: CITY OF REFUGE

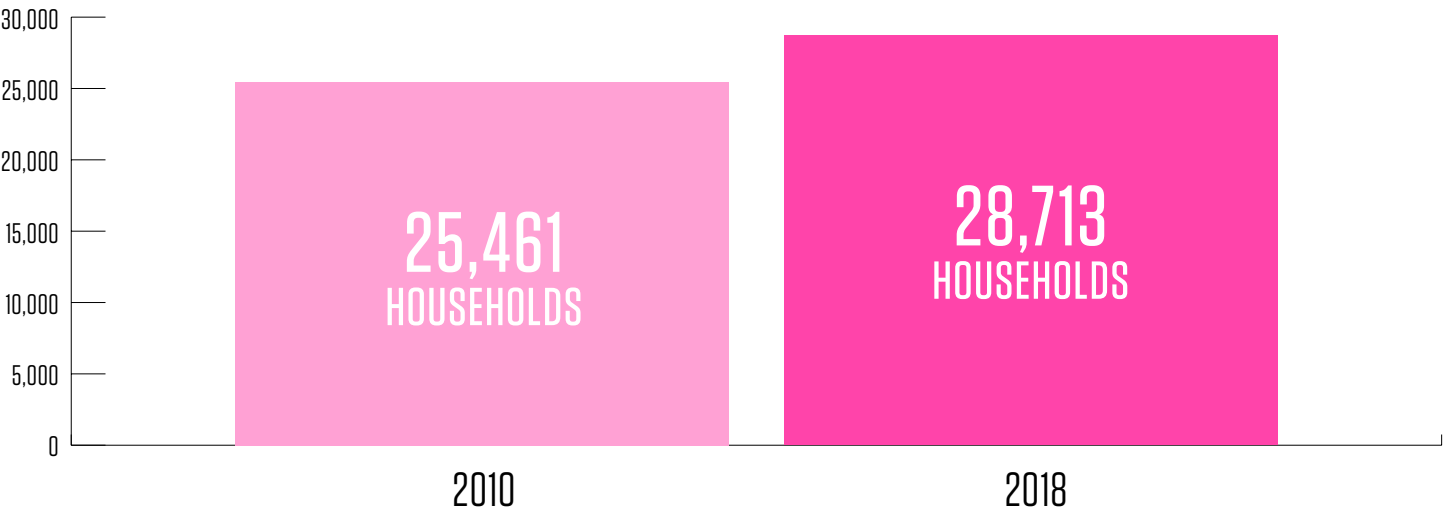
PROGRESS TOWARDS IZ PROGRAM GOALS

The IZ program began on January 29, 2018, and findings outlined below are related to the duration of the program through December 31, 2020. A total of 362 affordable units are in some stage of development, with most being built for residents at 70-80% of AMI. These units were spread throughout ten Atlanta Neighborhood Statistical Areas (NSAs) in the BeltLine and Westside Atlanta neighborhoods. NSAs are approximations of Atlanta’s neighborhoods that the Atlanta Regional Commission has apportioned Census data to.

CREATION OF AFFORDABLE HOUSING UNITS

One of the main goals of the IZ program is to create new affordable housing units so that low- and moderate-income residents can live in the City. Households that spend more than 30% of their income on housing are financially vulnerable because they have less money left to pay for other necessary expenses, and an unexpected shortfall of income can leave them unable to cover housing expenses (Larrimore & Schuetz, 2017). Therefore, rent-burdened households can be indicative of a need for affordable housing. In the BeltLine and Westside NSAs where the IZ program operates, there were nearly 29,000 rent-burdened households in 2018, an increase of about 3,000 from 2010 (see Figure 2).

FIGURE 2: RENT-BURDENED HOUSEHOLDS
IN THE BELTLINE AND WESTSIDE OVERLAY NSAS, 2010–2018



Source: ARC ACS 5-year estimates, 2014–2018.

In the context of that large potential need for affordable housing in the IZ areas, to date 362 affordable units have been created or are in some phase of development. Of the 362 units, 302 of them are available at 70%-80% of AMI and 60 units are available at or below 60% of AMI (see Table 1). While the IZ ordinance requires affordability at either 60% or 80% of AMI, many developers elect to use deeper levels of affordability since they are layering other subsidies in the project (see Table 2 in Appendix for more details). Of the 16 developments, 14 are in various stages of planning and construction, one development is compliant and has completed their lease up, and one development recently received their certificate of occupancy and is in the process of their initial lease up.

TABLE 1: AFFORDABLE HOUSING UNITS IN THE ATLANTA IZ PROGRAM, 2018-2019

Development	Units at 60% AMI or lower	Units at 70%-80% AMI
Project #1: Adair Court • 806 Murphy Ave	9	-
Project #2: City of Refuge • 1300 Mayson Turner RD NW	5	-
Project #3: 900 Joseph E. Lowery Blvd	-	26
Project #4: 72 Milton Ave SE	-	65
Project #5: Parkside at Quarry Yards • 1314 D. L. Hollowell Pkwy	-	29
Project #6: 55 Milton Ave SE	-	23
Project #7: Fairfield Southside Trail • 125 Milton Ave SE	-	47
Project #8: 1061 Memorial Dr	-	29
Project #9: Academy Lofts at Adair Park • 711 Catherine St	4	-
Project #10: 555 Boulevard Apartments	11	-
Project #11: Atlanta Dairies II • 777 Memorial Dr	-	38
Project #12: Beacon of Hope Apts. • 542 Boulevard	3	-
Project #13: Home on the Westside • 395 James P. Brawley Dr	21	-
Project #14: 577 Englewood Co-Living • 577 Englewood Dr SE	7	-
Project #15: Abbington Ormewood Park • 525 Moreland Ave SE	-	6
Project #16: Hamilton Apartments • 680 Hamilton Ave SE	-	39
Total Units by AMI	60	302
Total Affordable Units	362	

Source: City of Atlanta.

Of the neighborhoods in the BeltLine Overlay District and the Westside Affordable Workforce Housing District, developers have located projects in ten neighborhoods (see Table 2). Four NSAs have one IZ development and six NSAs have two IZ developments. As shown in Table 2, the number of rent-burdened households far exceeds the number of affordable units in some stage of development as part of the IZ program. In some neighborhoods, the gap between the potential need for affordable housing (rent-burdened households) and number of IZ units is small. For example, Knight Park/Howell Station had 74 rent-burdened households and 26 affordable units through the IZ program. In contrast Old Fourth Ward/Sweet Auburn had nearly 2,500 rent-burdened households and only 14 affordable units through the IZ program.

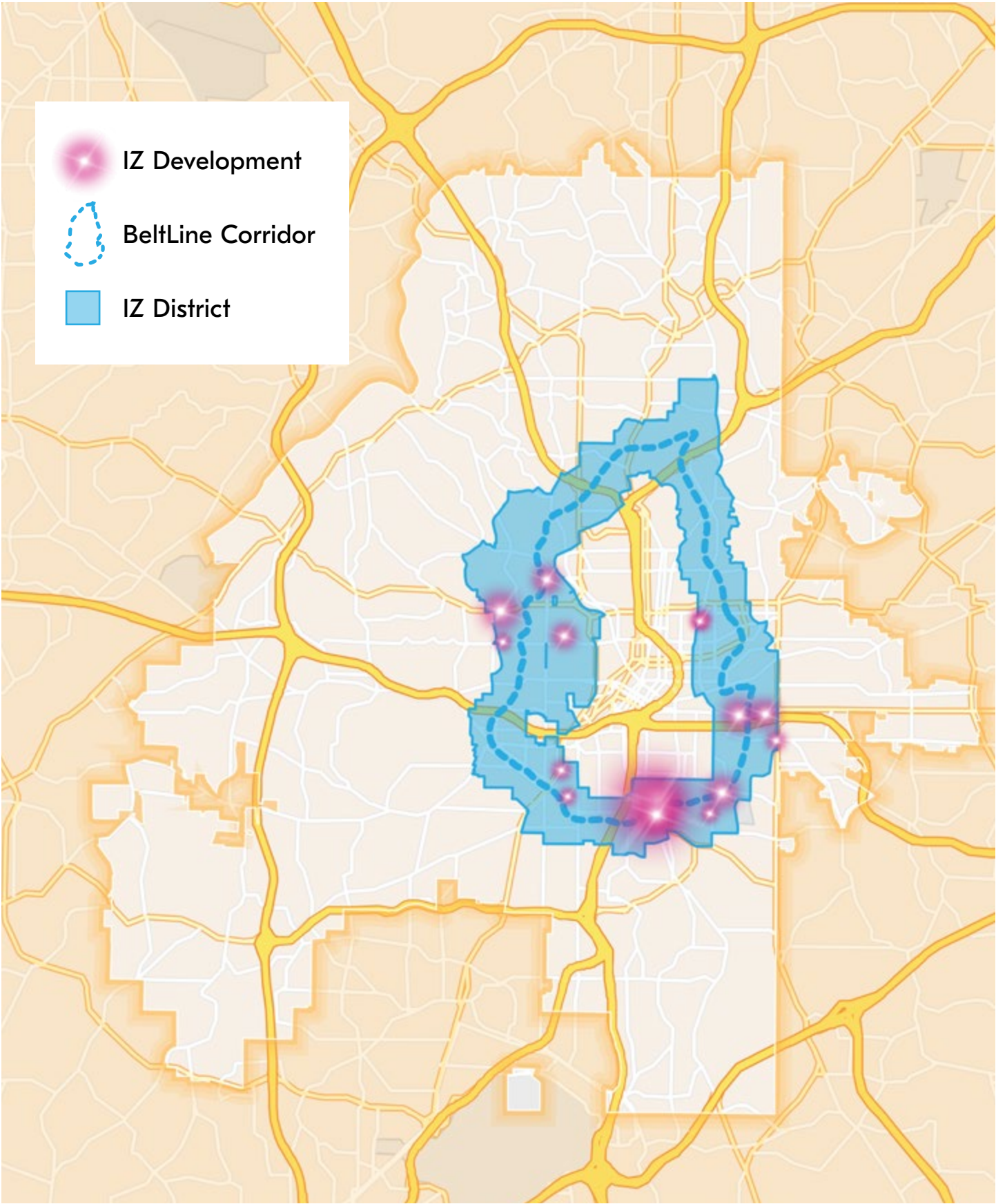
TABLE 2: IZ DEVELOPMENTS AND RENT-BURDENED HOUSEHOLDS BY NSA, 2018-2020

NSA	Number of Projects	Number of IZ Units	Rent-Burdened Households
Bankhead/Washington Park	2	34	457
Knight Park/Howell Station	1	26	74
Adair Park/Pittsburgh	2	13	725
Peoplestown	2	88	428
Choosewood Park/Englewood Manor	2	54	220
Ormewood Park	1	6	345
Old Fourth Ward/Sweet Auburn	2	14	2,488
Cabbagetown/Reynoldstown	2	67	462
English Avenue	1	21	543
Benteen Park/Blvd Heights	1	39	228

Source: ARC ACS 5-year estimates, 2014–2018.



FIGURE 3: LOCATION OF IZ DEVELOPMENTS, 2018-2019



POVERTY AND PUBLIC SERVICES IN ATLANTA’S IZ DEVELOPMENT NEIGHBORHOODS

ACCESS TO LOW-POVERTY NSAS

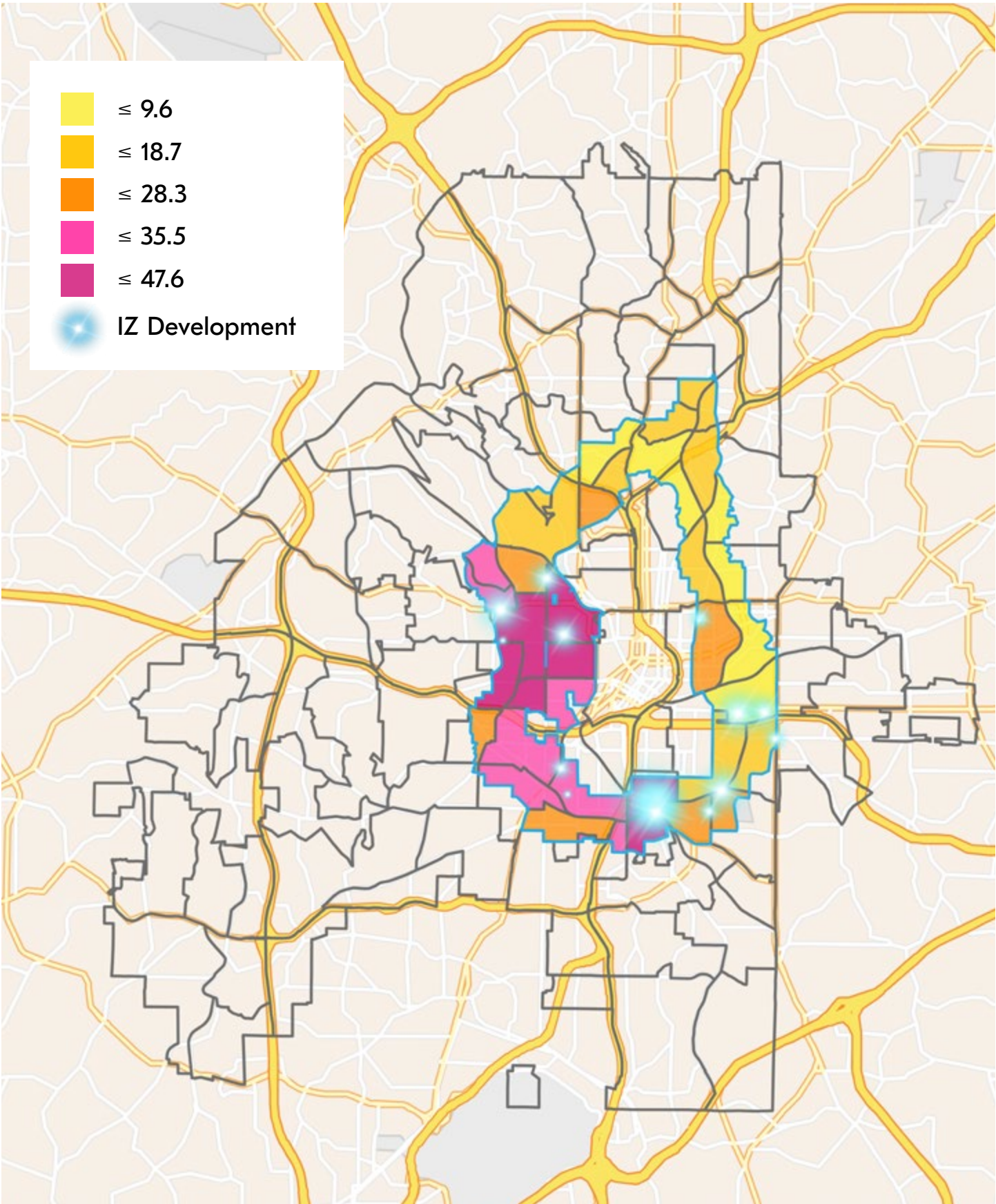
Another aim of IZ programs is to provide low- and moderate-income residents with access to low-poverty neighborhoods. In the ten NSAs where the IZ developments are in some phase of being built, the average household poverty rate was 24% and ranged from about 7% in Ormewood Park and Cabbagetown/ Reynoldstown to 39% in English Avenue. Neighborhoods with a greater than 40% poverty rate are considered neighborhoods of concentrated poverty (HUD, 2020), and all NSAs where IZ developments were located are not above that threshold (though several are close). Yet, on average the rate of poverty was higher in NSAs where IZ projects are in some stage of development as compared to the City of Atlanta (see Table 3). In fact, seven of the ten NSAs where IZ projects have been located have higher rates of poverty than that of the City.

TABLE 3: RATE OF HOUSEHOLD POVERTY IN IZ DEVELOPMENT NSAS, 2018

NSA	Poverty Rate
English Avenue	38.7
Peoplestown	36.0
Adair Park/Pittsburgh	35.0
Bankhead/Washington Park	28.5
Choosewood Park/Englewood Manor	28.4
Old Fourth Ward/Sweet Auburn	21.3
Benteen Park/Blvd Heights	18.1
City of Atlanta	18.0
Knight Park/Howell Station	15.7
Cabbagetown/Reynoldstown	6.9
Ormewood Park	6.5

Source: ARC American Community Survey 5-Year Estimates, 2014–2018.

FIGURE 4: POVERTY RATES IN NSAs INTERSECTING THE IZ DISTRICT



Additionally, when examining “potential IZ development NSAs” or NSAs where developments could have been located but have not yet been (i.e. neighborhoods in the BeltLine and Westside that are subject to the IZ ordinance) we see that those NSAs had lower poverty rates and rates of low-income residents (see Table 4). In sum, this suggests that although IZ developments are not located in neighborhoods of concentrated poverty, they are being located in neighborhoods with poverty rates higher than that of the City. Additionally, developers have the opportunity in the BeltLine and Westside zone to locate developments in neighborhoods with lower poverty rates which would do more to further the goal of providing low- and moderate-income residents with access to low-poverty neighborhoods.

TABLE 4: HOUSEHOLD POVERTY AND LOW-INCOME RESIDENTS IN ATLANTA, IZ DEVELOPMENT NSAs, AND POTENTIAL IZ DEVELOPMENT NSAs, 2018

	Atlanta	IZ Development NSAs	Potential IZ Development NSAs
%Households in Poverty	18.0	21.4	16.0
%Low-income residents	39.1	40.6	35.2

Source: ARC American Community Survey 5-Year Estimates, 2014-2018; American Community Survey 5-Year Estimates, 2014-2018.

TABLE 5: ACCESS TO PUBLIC AND PRIVATE AMENITIES FOR THE AVERAGE NSA, 2019

	Atlanta NSAs	IZ Development NSAs	Potential IZ Development NSAs
Population Density (per sq mi)	4,351	5,055	5,608
COA Recreation Centers	0.49	0.90	0.45
Park Acres	55.68	25.8	42.7
Grocery Stores	0.78	0.90	1.15
Bus Stops	39	45	44
MARTA Stations	0.24	0.20	0.40
Average Number of Businesses	334	199	528

Source: City of Atlanta Department of City Planning; City of Atlanta Business License data, 2018.

ACCESS TO EMPLOYMENT AND NEIGHBORHOOD AMENITIES

Another potential benefit of IZ is that low- and moderate-income residents can gain access to employment centers and services that are more widely available in neighborhoods with high levels of public investment. Across Atlanta, there are large disparities in access to public and private goods like transportation stops and grocery stores (see Table 5). When looking at these public and private goods, we see that IZ developments fared better in some areas and worse in others in access to amenities as compared to the City of Atlanta and “potential IZ development NSAs” (NSAs subject to the IZ program where developments have not yet been located). For example, IZ development NSAs had on average greater access to recreation centers and bus stops. But IZ development NSAs had less access to MARTA stations and grocery stores, and they had the lowest average park acres. Additionally, IZ development NSAs had on average the fewest businesses per NSA, while potential IZ development NSAs had the most. It should be noted that the areas where the IZ program operates, but so far have no IZ developments, are the NSAs that on average have the highest access to neighborhood amenities and employment centers. It is therefore important to watch development patterns to see if new multifamily development continues to be located in higher poverty neighborhoods of the IZ area that have fewer amenities. In sum, residents of IZ developments have greater access to some public amenities like recreation centers and bus stops, but on average they have less access to MARTA stations, parks, businesses, and grocery stores.

RESIDENTS OF IZ DEVELOPMENTS HAVE GREATER ACCESS TO SOME PUBLIC AMENITIES LIKE RECREATION CENTERS AND BUS STOPS, BUT ON AVERAGE HAVE LESS ACCESS TO MARTA STATIONS AND GROCERY STORES.



THE UNFINISHED WESTSIDE BELTLINE BEING USED FOR BIKING AND WALKING
PHOTO COURTESY OF BELTLINE, INC.

IZ PROGRAM’S IMPACT ON DEVELOPMENT

In addition to cataloging the new IZ projects underway, we also sought to analyze the impact the IZ program has had on development patterns inside and outside the IZ overlay, to assess the general hypothesis that the IZ program may result in reduced multi-family development. Our findings suggested that IZ did not result in reduced multi-family development in Atlanta. From 2015 through 2020, there were 172 multifamily projects permitted in the City. We do not find that there was a decline in these permits issued after the IZ program was adopted in 2018 (see Table 6). If there was a negative impact of the IZ program on development, we would expect to see fewer multifamily building permits issued from 2018-2020. However, that was not the case. There was an increase of about 68% in multifamily building project permits in the IZ zone after the adoption of the IZ program, consistent with the citywide changes in development. Additionally, it does not appear that developers are building townhomes to avoid IZ affordability requirements because although townhome production did increase following adoption of the IZ program, they increased at a slower pace than the Citywide increase.



IMAGINING THE NEW DEVELOPMENT AT 55 MILTON AVENUE IN PEOPLESTOWN
RENDERING COURTESY OF PRESTWICK COMPANIES

TABLE 6: MULTIFAMILY PROJECT PERMITS ISSUED FOR MULTIFAMILY DEVELOPMENTS IN THE CITY OF ATLANTA, 2015–2020

	Inside the BeltLine	Outside the BeltLine	Total
2015–2017	12	53	65
2018–2020	20	87	107
Total 2015–2020	32	140	172
%Change 2015–2020	+66.7%	+64.2%	+64.6%

Source: City of Atlanta Office of Buildings. Multifamily is defined as a building with 10 or more units with rental or for sale product. There were three condominiums permitted from 2018–2020 that are included in Table 6.

TABLE 7: TOWNHOME PROJECT PERMITS ISSUED FOR TOWNHOMES IN THE CITY OF ATLANTA, 2015–2020

	Inside the BeltLine	Outside the BeltLine	Total
2015–2017	15	81	96
2018–2020	19	155	174
Total 2015–2020	34	236	270
%Change 2015–2020	+26.7%	+91.4%	+81.3%

Source and notes: City of Atlanta Office of Buildings. Townhomes are grouped by subdivision project (regardless of the number of individual townhomes within each project), and counted in the year the initial development permit was granted.

PART OF A LARGER AFFORDABLE HOUSING STRATEGY

In 2019, Mayor Bottoms released the [One Atlanta Housing Affordability Action Plan](#). The plan included a wide range of action items aimed at creating and preserving 20,000 affordable housing units by 2026. The Inclusionary Zoning (IZ) program is a key element of this larger strategy and aims to ensure that affordable units are in every new housing development in the geographic areas included in IZ ordinances. To date, 362 affordable units have or will be completed in the near future as part of this program alone.

In addition to the regulatory requirements of the IZ program, the City’s public agencies are employing several other forms of subsidy to achieve the goal of affordable and equitable housing as outlined in the One Atlanta Housing Affordability Action Plan. From 2018 through 2020, there were approximately 6,000 additional units in some stage of development through other subsidy initiatives in the City. Most of these projects will create affordability for renters, which is important to note as the rents bear the brunt of housing cost burdens in Atlanta. Although most of these subsidies for renters target households at 60% and 80% of AMI, consistent with the IZ program, there are several hundred projects that target households at 50% of AMI or lower.

For owners, there are other programs like down payment assistance that are being used to increase affordability at a greater breadth of AMI levels than the IZ program (see Table 8). These programs also target households that make 120% of AMI, which is also important as the number of higher-income households facing housing cost burdens increases in Atlanta. The full list of new and upcoming affordable housing projects can be found [here on the City of Atlanta’s Pipeline Tracker](#). Additionally, resources for affordable housing can be found in our [Affordable Housing Guide](#).

TABLE 8: AFFORDABLE HOUSING UNITS CREATED BY PUBLIC AGENCIES IN THE CITY OF ATLANTA, 2018–2020

	30% AMI	50% AMI	60% AMI	80% AMI	120% AMI	Total Affordable Units
Homeowners	34	144	365	357	162	1,062
Renters	87	353	4,035	470	99	5,044
Total	121	497	4,400	827	261	6,106

Source: City of Atlanta.



WALKING THE BELTLINE AND PLAYING IT SAFE IN REYNOLDSTOWN
PHOTO COURTESY OF BELTLINE, INC.

POLICY RECOMMENDATIONS

The results of the IZ program to date offers insights into potential ways to strengthen the program. These include policies aimed at increasing the supply of affordable housing units and policies aimed at ensuring access to high-quality public and private amenities for low- and moderate-income residents.

Increase supply of affordable housing:

- We found that there was not a decrease in multifamily housing development following the adoption of the IZ program, demonstrating that there is not a negative impact on development. That suggests that expanding the area of the IZ program, for example around MARTA stations and major public infrastructure/investments, may be one way to increase the number of affordable housing units in the City.
- Consider including for sale property in the Inclusionary Zoning program, consistent with other cities, to increase affordable homeownership opportunities.
- Explore increased density and height bonuses to developers that provide units at 40% of AMI to increase the supply of housing for very low-income residents. There are a large number of very low-income rent-burdened households who cannot afford the 60% and 80% of AMI rents currently used in the IZ program.
- Presently, inclusionary zoning requirements in Atlanta are not layered with other federal or state subsidies that may create additional affordability. For example, a project receiving federal tax credits in exchange for keeping at least 20% of the units at or below 50% AMI is permitted to count these units towards the separate Atlanta IZ requirement. Other municipalities vary in their approach, and may require that the city affordability requirement is in addition to, and not satisfied by, any other subsidy. Policy leaders should consider the impact of the IZ requirement and update the language of the ordinances if layering to achieve a larger number of affordable units was the legislative intent.

Expand access to neighborhoods:

- When planning new public investment and infrastructure, consider neighborhood context where affordable units are located to proactively avoid displacement. Additionally, in areas where there is substantial public investment, explore tools like IZ to proactively ensure that low-and-moderate income residents can participate in the benefits of associated public and private amenities.
- Explore ways to encourage the development of affordable units in neighborhoods throughout the BeltLine and Westside to include low-poverty neighborhoods by providing incentives to developers that are specific to these neighborhoods. Affordable units have thus far been located in NSAs of the IZ zone with higher poverty rates than where they have not been located, indicating the program could do more to provide residents with access to low-poverty neighborhoods.

CONTINUING TO BUILD ON THE SUCCESS OF THE IZ PROGRAM AS PART OF A BROAD AFFORDABLE HOUSING AGENDA—WHILE ACKNOWLEDGING THE LIMITS OF THE IZ PROGRAM TO ADDRESS THE VAST NEED FOR AFFORDABLE HOUSING—IS THE MULTIFACETED APPROACH NEEDED TO SUPPLY HOUSING FOR LOW-AND-MODERATE-INCOME RESIDENTS IN ATLANTA.

CONCLUSION

In 2018, the year the IZ program launched, there were approximately 75,000 households in Atlanta that were cost-burdened (defined as spending more than 30% of their income on housing). Of these households, 29,000 of them are in the BeltLine and Westside NSAs specifically targeted by the IZ program for their proximity to significant public investments. While the majority of those households were low-income, the prevalence of cost-burdened moderate-income households earning between \$35,000 and \$75,000 has also grown.

INCLUSIONARY ZONING IS ONE ELEMENT OF ATLANTA’S BROAD HOUSING AFFORDABILITY ACTION PLAN TO ADDRESS AFFORDABLE HOUSING SHORTAGES IN THE CITY.

To date, the IZ program has resulted in 362 new multifamily affordable units (either already developed or currently in development in the Beltline and Westside NSAs), and, significantly, has done so without slowing the overall rate of multifamily development in those areas.

The conclusive result of this evaluation of the IZ program’s first three years is that the program works. It serves as a mechanism to align public and private sector incentives and investments in the development of these areas for the public good of preserving affordability as these areas experience rapid economic growth.

However, there is no question that more action is needed to achieve Mayor Bottoms’ vision of an equitable Atlanta for residents of all income levels. Therefore, while the continued support and increased utilization of the IZ program is crucial to achieving this goal, it is important to note that IZ is a component of the larger, comprehensive approach to address Atlanta’s housing needs articulated in Mayor Bottoms’ Housing Affordability Action Plan.

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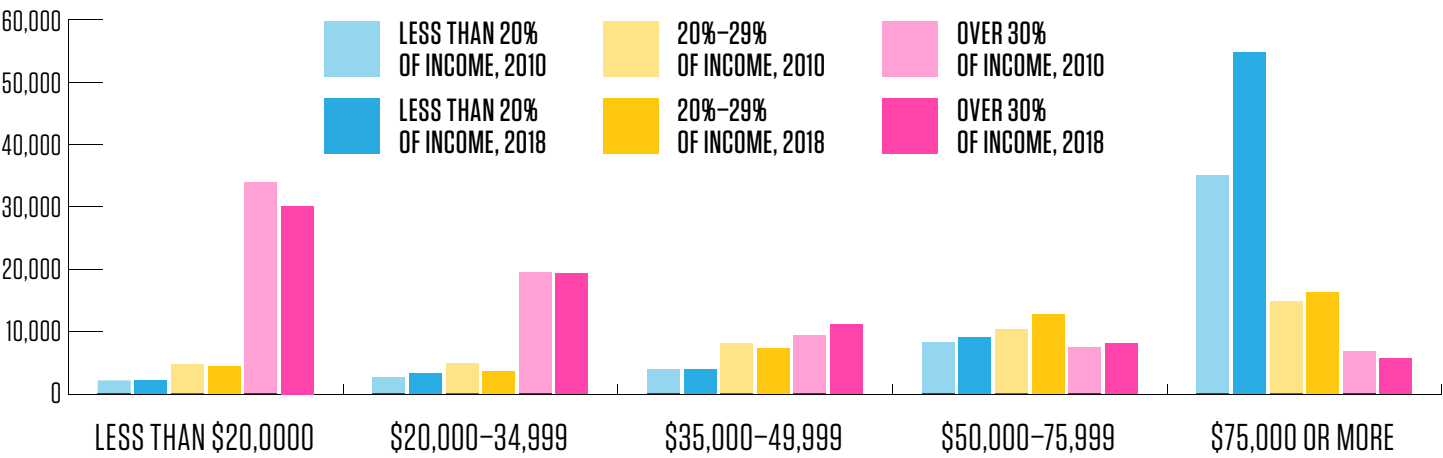
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APPENDIX

One of the ways to assess the need for affordable housing is to examine households that are spending more than 30% of their income on housing costs, indicating that they are cost-burdened households. As would be expected, we can see that in Atlanta the lowest income households had the highest cost burdens while the highest income households had the lowest cost burdens (see Figure 1). In total, there were almost 75,000 households in Atlanta that spent more than 30% of their income on housing costs in 2018. When looking at the changes from 2010–2018, there was a decline in the number of cost-burdened households at the lowest income level, households making below \$20,000. The increase in cost-burdened households occurred for moderate income households, with an increase of about 2,000 cost-burdened households that earn between \$35,000–\$75,000 from 2010 to 2018. Additionally, there was an increase of nearly 4,000 households close to being cost-burdened or spending between 20%–29% of income on rent at the moderate- and high-income range (households with incomes greater than \$50,000).

FIGURE 1: HOUSING UNITS BY HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME 2010–2018



Source: American Community Survey 5-Year Estimates, 2006–2010; 2014–2018.

TABLE 1: POPULATION AND HOUSING CHARACTERISTICS IN ATLANTA 2010–2018

	2010	2018	%Change
Total Population	413,462	479,655	+16.0
Households below Poverty	34,670	35,862	+3.4
Low-Income Residents	158,239	173,367	+9.6
Non-Low-Income Residents	230,273	271,398	+17.9
Rent-Burdened Households	45,892	53,417	+16.4
Median Rent	\$1,020	\$1,099	+7.7
Units with Rent Under \$1000/Month	43,563	46,864	+7.5
Units with Rent Above \$1000/Month	46,500	63,415	+36.4
Median Income	\$52,136	\$55,279	+6.0

Source: American Community Survey 5-Year Estimates, 2006–2010; 2014–2018. Figures are in 2018 inflation-adjusted dollars. Rent-burdened households are those that pay more than 30% of their income towards rent and low-income residents are those who make under 200% of the poverty line.

IZ DEVELOPMENT AND AMI THRESHOLDS

While the IZ program requires 15% of units at 80% of AMI or 10% of units at 60% of AMI, many of the developments use thresholds below 60% or 80% to satisfy the requirements. For example, some developments use units affordable at 50% of AMI to satisfy the 60% AMI requirement. This means that there is a larger spectrum of affordability through the IZ program than suggested when only looking at the topline numbers that developers use to satisfy the requirements. When developers were contacted to learn more about the exact AMI level used to meet IZ’s affordability requirements, we found that 151 units are in some stage of development at a threshold other than 60% or 80%. This means that developers are using lower AMI thresholds than required by the IZ program, which in turn is related to deeper affordability in some cases.

TABLE 2: UNITS IN SOME STAGE OF DEVELOPMENT BELOW 80% OF AMI 2020

Development	30%	40%	50%	60%	70%	80%
Project #1: Adair Court	-	-	19	58	-	-
Project #2: City of Refuge	-	-	-	5	-	-
Project #3: 900 Joseph E. Lowery Blvd	-	-	-	-	-	26
Project #4: 72 Milton Ave SE	-	-	-	-	-	65
Project #5: Parkside at Quarry Yards	-	-	42	96	19	10
Project #6: 55 Milton Ave SE	-	-	46	87	-	23
Project #7: Fairfield Southside Trail	-	-	-	-	-	47
Project #8: 1061 Memorial Dr	-	-	-	-	-	29
Project #9: Academy Lofts Adair Park	5	-	-	25	-	-
Project #10: 555 Boulevard	-	-	-	11	-	-
Project #11: Atlanta Dairies II	-	-	-	-	-	38
Project #12: Beacon of Hope Apartments	-	-	-	3	-	-
Project #13: Home on the Westside	-	-	20	11*	-	-
Project #14: 577 Englewood Co-Living	-	-	-	7	-	-
Project #15: Abbington Ormewood Park	10	-	9	14	-	9
Project #16: Hamilton Apartments	-	-	-	-	-	41
Total	15	0	136	317	19	288

Source and notes: City of Atlanta, note that the 1061 Memorial Drive and Fairfield Southside Trail developments did not provide additional details about their AMI levels besides the 60% and 80% required thresholds. *Developer indicated that 11 is technically unrestricted but they intend to rent at 60%.

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WE HOLD DEAR IN OUR
NEIGHBORHOODS.”**

**—COMMISSIONER TIM KEANE,
CITY OF ATLANTA
DEPARTMENT OF CITY PLANNING**



Department of
CITY PLANNING