



Performance Audit:

Affordable Housing

What We Found

Over half of homes in the City of Atlanta are affordable to households that the U.S. Department of Housing and Urban Development defines as "very low-income," earning less than \$33,750 annually for a household of four. Affordable housing in the city is concentrated in areas that are defined as low-income. Eight of twelve council districts have household income levels less than 80% of the area median income for a household of four. While the city's housing costs are relatively low compared to other metro areas, they are rising.

Nearly half of the over 99,000 households who rent in the city pay more than 30% of income on rent, meaning they are cost-burdened. Rising housing prices will likely result in an increase in cost-burdened renters without an increase in housing supply. Housing subsidies the city has provided developers have created a limited supply of housing with half located in areas that are already affordable, lack access to transit, and contain below-average schools. Future efforts should target areas with positive quality of life factors such as access to public transportation and education as well as proximity to job centers. Monitoring efforts for 25 sampled rental units ensured affordability compliance.

The city's affordable housing goals are incorporated into multiple plans and lack quantifiable or measurable outcomes. Quantifiable goals would help create a cohesive affordable housing strategy and measure achievement of outcomes of multiple programs.

City Council recently passed legislation to reestablish the Housing Commission to explore options to finance affordable housing. The commission could help coordinate citywide affordable housing policies. City Council has also passed legislation to increase affordable housing through inclusionary zoning and to support anti-displacement efforts. The city could expand efforts to create affordable housing such as by increasing the use of community land trusts. The city should consider increasing affordability periods for rental units and maintaining the affordability of purchased units.

Why We Did This Audit

We undertook this audit to assess affordable housing initiatives in the city, specifically those of Invest Atlanta and the Department of City Planning's Office of Housing and Community Development. We analyzed market conditions pertaining to affordable housing supply and demand, assessed housing and zoning best practices and initiatives in other municipalities, and reviewed administration and monitoring efforts for affordable housing stock.

What We Recommended

To facilitate the city's efforts to create and maintain affordable housing, the Commissioner of the Department of City Planning should:

- Address the unbalanced distribution of affordable housing between the northern and southern parts of the city
- Target areas with positive quality of life factors such as public transportation, access to education, and proximity to job centers when subsidizing affordable housing developments
- Consolidate key information related to available housing programs and make that information more readily available to citizens and developers
- Consider longer affordability periods when subsidizing for-purchase housing
- Develop a mechanism to maintain affordability when subsidizing for-purchase housing
- Expand the use of programs such as providing density bonuses to developers and increasing the use of community land trusts

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1:	We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to address the unbalanced distribution of affordable housing between the northern and southern parts of the city.	
Response & Proposed Action:	The Department will complete the Atlanta Equitable Housing Needs Assessment report by August 2018; implementation of equitable affordable housing strategy will be ongoing, with annual reports issued annually.	Agree
Timeframe:	August 2018; ongoing	
Recommendation #2:	We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to target areas with positive quality of life factors such as public transportation, access to education, and proximity to job centers when subsidizing affordable housing developments.	
Response & Proposed Action:	The Department will continue to provide preference points to projects that are in proximity to positive quality of life conditions.	Agree
Timeframe:	End of 2018	
Recommendation #3:	We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to consolidate key information related to available housing programs and make that information more readily available to citizens and developers.	
Response & Proposed Action:	The Department will develop a resource guide for residents, collaborate with other city agencies to link websites on affordable housing projects and resources, and reinstitute Developer Day in the city.	Agree
Timeframe:	End of fiscal year 2019	
Recommendation #4:	We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to consider longer affordability periods when subsidizing rental housing.	
Response & Proposed Action:	The Department will establish a working group of internal and external stakeholders by the end of CY18 to explore creating longer affordability periods on subsidized rental housing and provide recommendations to City Council by the end of CY19.	Agree
Timeframe:	End of calendar year 2019	
Recommendation #5:	We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to develop a mechanism to maintain affordability when subsidizing for-purchase housing.	
Response & Proposed Action:	The Department will establish a working group of stakeholders by the end of CY18 to explore the feasibility of creating mechanisms to maintain affordability when subsidizing for-purchase housing and provide recommendations to City Council by the end of CY19.	Agree
Timeframe:	End of calendar year 2019	

Recommendation #6: We recommend that the Commissioner of the Department of City Planning should work with city leaders and stakeholders to expand the use of programs such as providing density bonuses to developers and increasing the use of community land trusts.

Response & Proposed Action: The Department will begin working with internal and external stakeholders to explore the feasibility of adopting a Homeownership Inclusionary Zoning policy and present recommendations to City Council within 3 years. **Partially Agree**

Timeframe: End of fiscal year 2018
