

# OPINION

BRUCE GUNTER

## Affordable housing is cool now, but a major test awaits

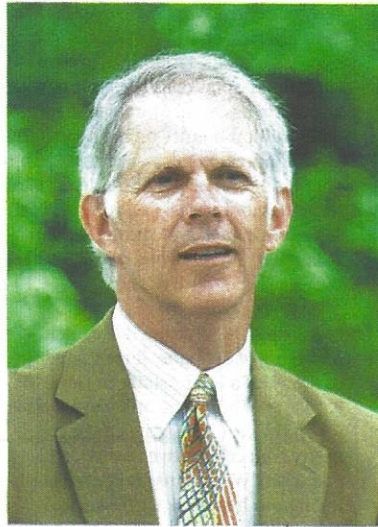
Affordable housing is becoming mainstream. But first it had to become a full-blown crisis, due to so little being done during the past decade of unprecedented growth. Nonetheless, hard evidence of increased attention and investment is emerging in both private and public sectors. Atlanta Mayor Keisha Lance Bottoms recently announced a \$60 million fund for affordable housing and appointed two very well-respected leaders in the field to her executive team. Despite the controversy, the Gulch deal includes \$28 million for affordable housing. The Atlanta Beltline released a new budget that includes \$12 million for affordable housing. Just these sums bring the total—not including a dozen or so other affordable housing projects approved over the past two years—to over \$100 million, a number that serves as a respectable down payment on the mayor's pledge of \$1 billion for affordable housing. She deserves to take a bow.

This attention has also resulted in a comprehensive set of recommendations by House ATL, a coalition of business, civic and political leaders, to spur production and preservation of more housing across the board. The nonprofit Westside Future Fund is a living laboratory of ideas designed to uplift the disadvantaged westside neighborhoods while preserving housing for existing residents. The Annie E. Casey Foundation is leading the transformation of Pittsburgh and other south-side neighborhoods.

On the private side, creative responses to developing affordable units are emerging, from the PadSplit concept of Atticus LeBlanc to a co-housing format by Civitas Communities. The City of Atlanta is pursuing rezoning of single-family districts to allow "accessory dwelling units" and is increasingly open to higher density and smaller residential units, relatively simple ways to boost production without public subsidy. And heavy-hitting civic minded business leaders are creating an affordable housing investment fund.

These are welcome trends. According to a 2018 Bleakley Advisory Group report commissioned by the Urban Land Institute, the city itself needs over 70,000 units of affordable housing. The mayor is calling for the production or preservation of 20,000 units, or 2,500 annually, but current production is not keeping up with the loss of units to the strong housing market.

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Not only that, but the affordable housing being lost is mostly concentrated in historically black neighborhoods (Old Fourth Ward, Reynoldstown are stark examples) where newcomers — those with incomes higher than existing residents — are overwhelmingly white, a new phenomenon that spurs undesirable gentrification.

Fundamentally, we need to change the investment and development mind-set—much like Maynard Jackson did with public airport contracts—by requiring affordable housing to be an upfront part of any public investment and to bolster lower income families' ability to pay by requiring development firms to hire locally. Both initiatives are essential because Atlanta is both one of America's fastest growing economies and leads the nation in income inequality.

Given these enormous challenges, we must respond with vigorous leadership, new investment, regulatory reform, and sound strategy.

► The mayor's leadership is welcome, but we also need business leaders to shoulder a long-term community development challenge that goes well beyond term limits and political considerations.

► We need to deploy what public resources we already have in land and unrestricted funding. An inventory of surplus public land is needed and long overdue, with greater transparency about unrestricted public funds that could be allocated for affordable housing.

► To get to \$1 billion, new public funding, such as a tax on surface parking lots, will be essential so as not to crimp an already tight city General Fund.

► We need to unlock the tremendous pool of talent and capital in the private development sector. Most affordable housing is in fact in privately owned hands, but without restrictions, it is entirely vulnerable to market pressures. One of seven ideas for new or expanded public funding contained in the House ATL report calls for a 15+ year property tax exemption by right for new or preserved affordable rental housing, modeled on a Seattle program.

► We must be strategic in coordinating public investments where it will have the greatest impact. If so, we can create communities where people want to live. The proper framework is the community-housing with good schools and access to transit, services and greenspace.

We will need all these tools, as looming as a test of our political and civic resolve is the Stitch, the breathtaking idea of covering the interstate with a concrete "lid", connecting downtown to midtown at the nexus of the Civic Center MARTA station. Akin to the Beltline in its potential to generate real estate value from a massive public investment, we can predict what is coming—in ways good and bad.

Ripples in the housing market caused by such a public investment will impact those close-in communities that are most vulnerable to rapid housing cost increases. Those communities are mostly black. The residents who will stand to benefit the most are those who can afford higher housing costs, and those folks are mostly white.

If current trends hold, our city will look very different in 10 years.

Accordingly, Atlanta must adopt a BOTH-AND strategy regarding the Stitch. We must plan on BOTH creating a wonderful public amenity AND plan from the start to address the inevitable negative consequences of it. The failure of the Beltline to do so remains their Achilles heel and biggest failure. We know playing catch up is very expensive. Adopting a both-and approach from the very beginning not only reflects the lessons learned from the Beltline—investment in affordable housing goes in up front—but it is also good politics, as it would neutralize grass roots opposition and avoid a Gulch-like imbroglio.

If Atlanta could get behind a transformative \$1.9 billion Gulch deal to primarily benefit one developer, then surely, we can find a way to improve the lot of some 42 percent of our households who need affordable housing with a \$1 billion program that will transform our community. This may well be a generational opportunity for Atlanta, perhaps the biggest test yet for a 21st century "Atlanta Way".