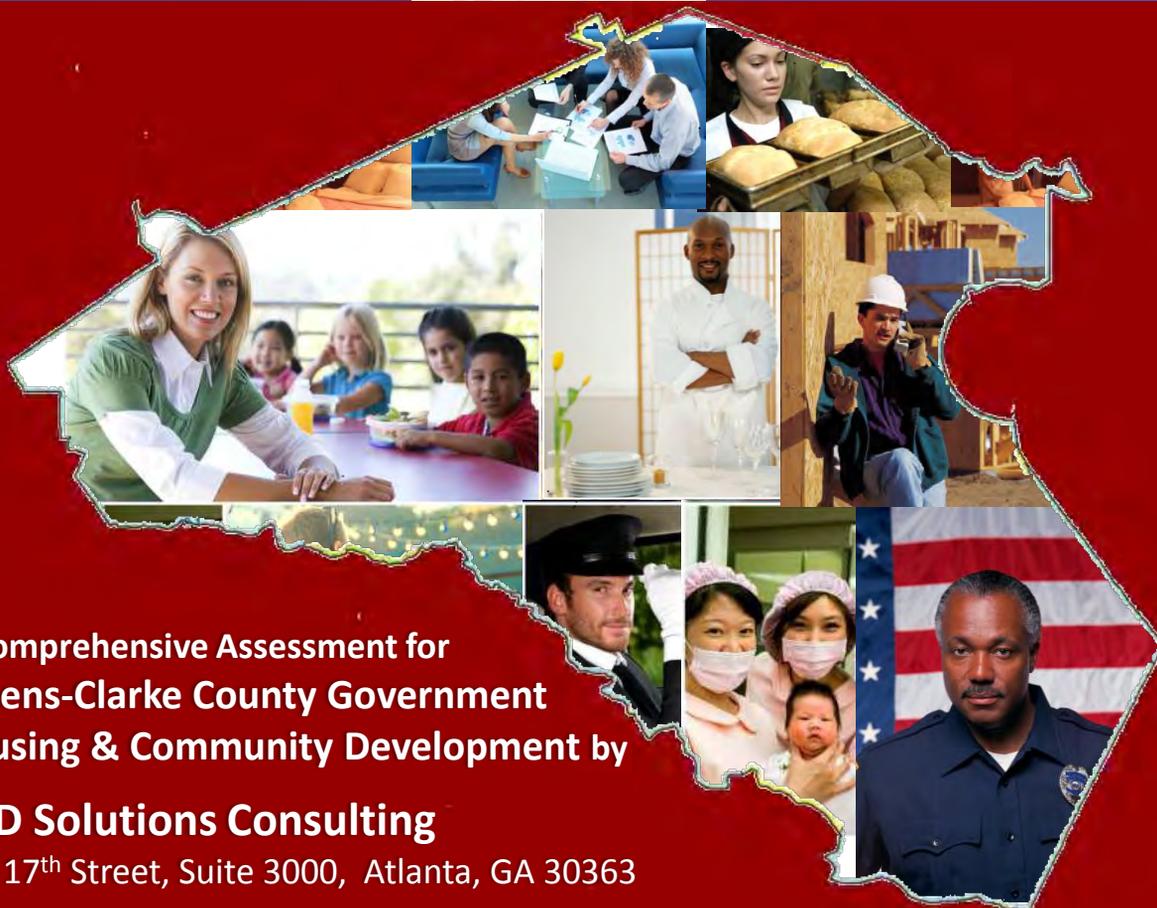




The Athens-Clarke County Workforce Housing Study

WORKING FOR THE BEST

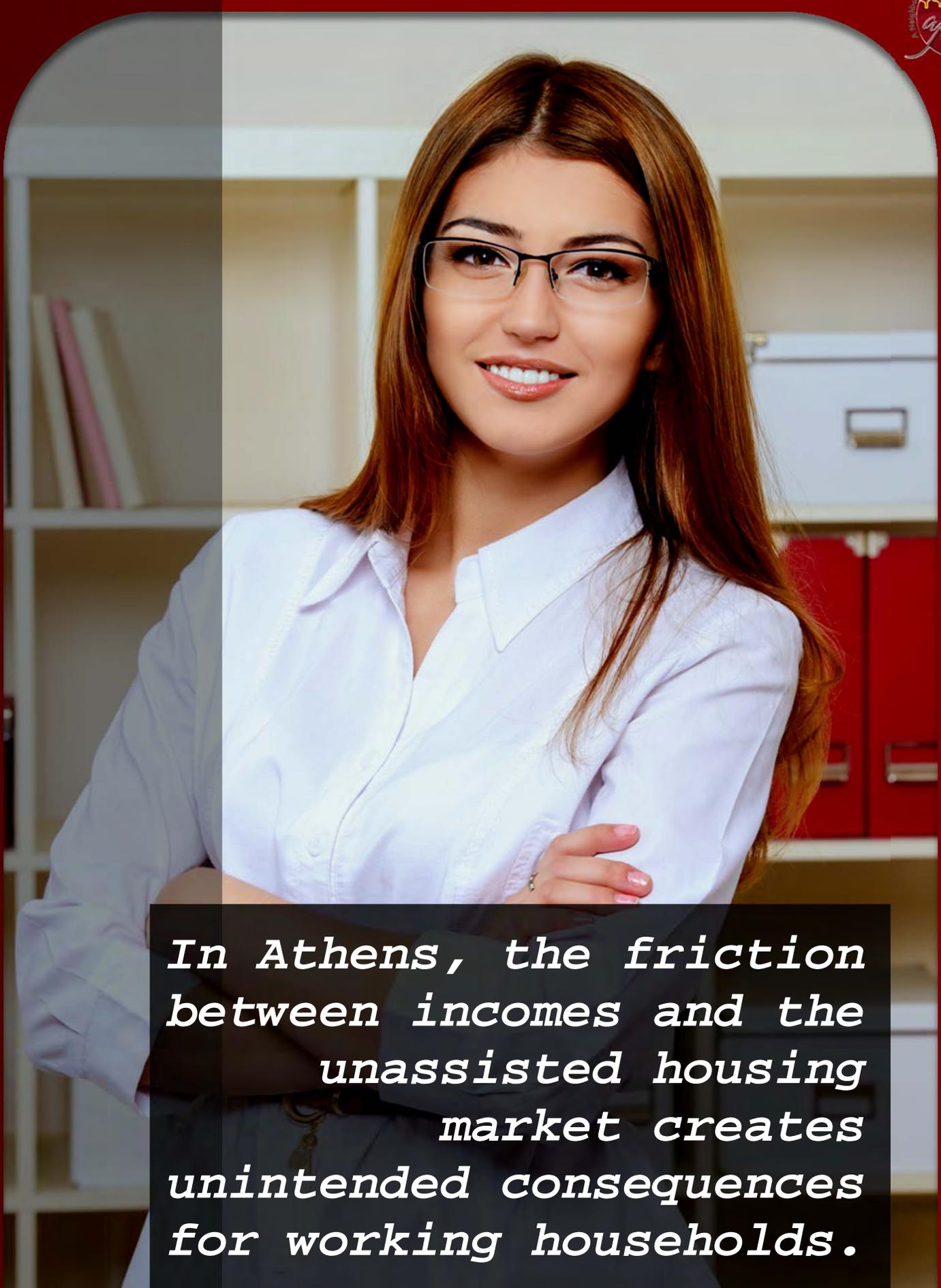


A Comprehensive Assessment for
Athens-Clarke County Government
Housing & Community Development by
APD Solutions Consulting
201 17th Street, Suite 3000, Atlanta, GA 30363



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In Athens, the friction between incomes and the unassisted housing market creates unintended consequences for working households.

WORKING FOR THE BEST



Executive Summary

Part 1: Background

The workforce household is nearly an abandoned segment of the U.S. population. Thousands of households fall into an income category where the American Dream is visible, but not tangible. They find it difficult to purchase or rent a home in an area that is both in close proximity to their work and sufficient for their needs.

Today, there is often confusion between workforce housing and affordable housing. For the purposes of this study, affordable housing is for households whose income is 80% of area median income or less; the definition does not imply that someone who is of low income is not in the workforce. Workforce households are those with earned income from 60 to 120% of the area median income that may be insufficient to secure decent housing in reasonable proximity to local job centers.

In Athens, the friction between incomes and the unassisted housing market creates unintended consequences for working households. This report will explore these challenges and attempt to provide stakeholders with the understanding of these issues and the tools to navigate toward a different outcome.

In order to accomplish this task the Unified Government of Athens-Clarke County (ACCUG) commissioned this Workforce Housing Needs Assessment and Strategy to support and maintain workforce housing in the county. The study is designed to identify deficiencies within the existing housing stock and to identify strategies to encourage housing diversity. The primary focus of the study is to answer this question: Is there enough and available housing to support the needs of the Athens workforce, and if not, what can be done about it?

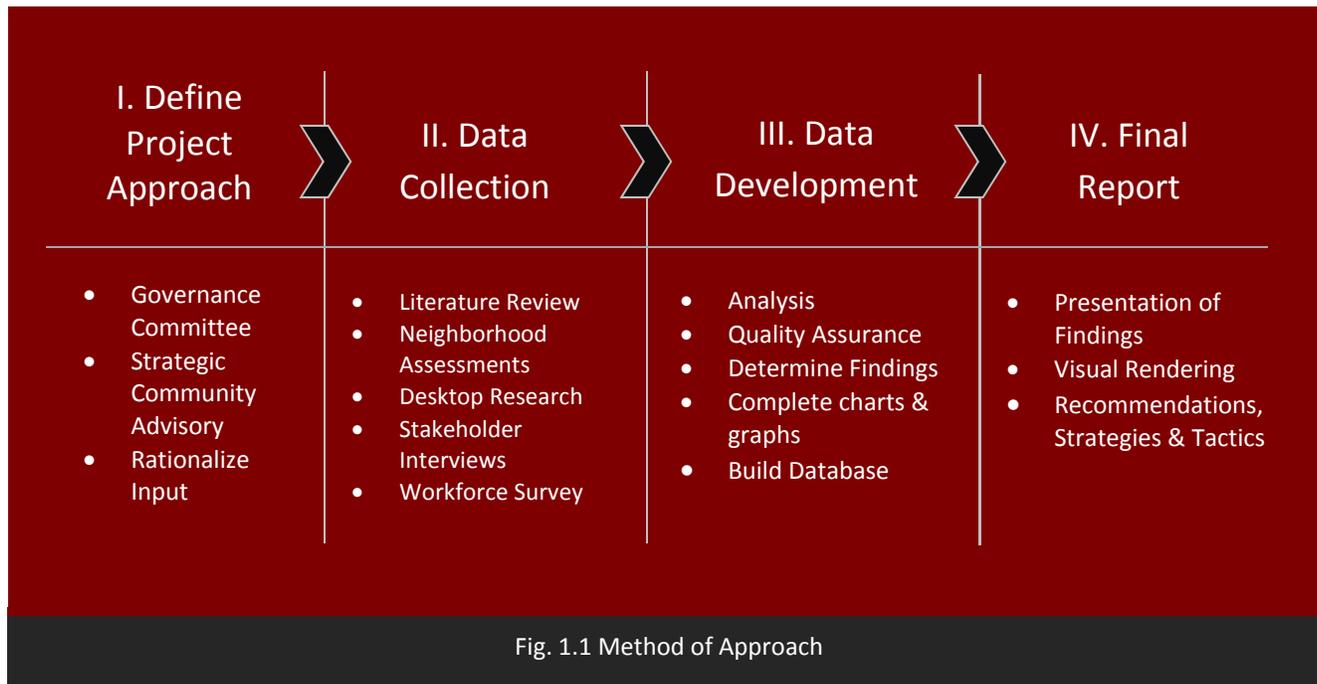
The secondary goal is to assess the multifamily housing circumstance by answering this question: With the recent proliferation of new student housing development, it seems to perpetuate a historic pattern of students gravitating to newer development, and the older complexes that are vacated begin a cycle of deterioration. Is this a real problem, what is the impact on the community, and what can be done about it?

The hope is that the body of work provides a guide to the entire community as to how we can continue Working for the Best in Athens-Clarke County.

Project Approach

It is clear that there are many factors underlying the challenges found in the local housing market and workforce needs. This study's approach seeks to review the current dynamics impacting Athens-Clarke County neighborhoods and the essential personnel from its labor force. It is the first step in a process to create a series of recommendations and action-oriented strategies to shape public policy and create the most desired future.

With this in mind, the APDS consultant team designed a comprehensive methodology to complete this project in four phases. Each is summarized and illustrated by the diagram below:



This workforce assessment report includes a market/demographic analysis, a workforce opinions survey, a neighborhood conditions assessment, data review, and a gap analysis to determine if there is a sufficient mix and quality of workforce housing.

After having conducted an initial literature review, the consultant team began the project in April 2015 with the establishment of a governance committee. The consultant team then completed a city-wide neighborhood tour and conducted focus group meetings with community stakeholders in May. The next major step was completing a market demographic/economic analysis and visual neighborhood condition assessment in June. Between June and July, a web-based employee survey was completed, which included a representative sample of 840 respondents. The market snapshot reports, neighborhood condition assessment, and survey results were delivered in August. This final report was compiled and presented in September, bringing the 6-month effort toward a conclusion.



Executive Summary

Part 2: The Community Context

Although Athens-Clarke County is the smallest county in Georgia, it packs a large economic punch. According to the US Census Bureau, there are 66,160 persons working in Athens-Clarke County. Of those, 59%, or 39,009 employees, actually live in the county. The remainder of workers drives into the county from elsewhere. When analyzing the employed residents of Athens, there are 41,185 total resident workers; 81% work in the county and the other 19%, or 9,176 persons, work outside of the county.

The most recent recession has undeniably impacted everyone however Athens-Clarke County is recovering generally well. Employment is increasing in the Athens market, however if analyzed by sector, a handful of anomalies can be seen. For example, the rate of employment growth in the information sector decreased by 5%, whereas the leisure and hospitality industry increased by 8%. The information and other services groups are the only sectors that have negative growth; those sectors decreased while the other sectors increased at an average of 3.625%.

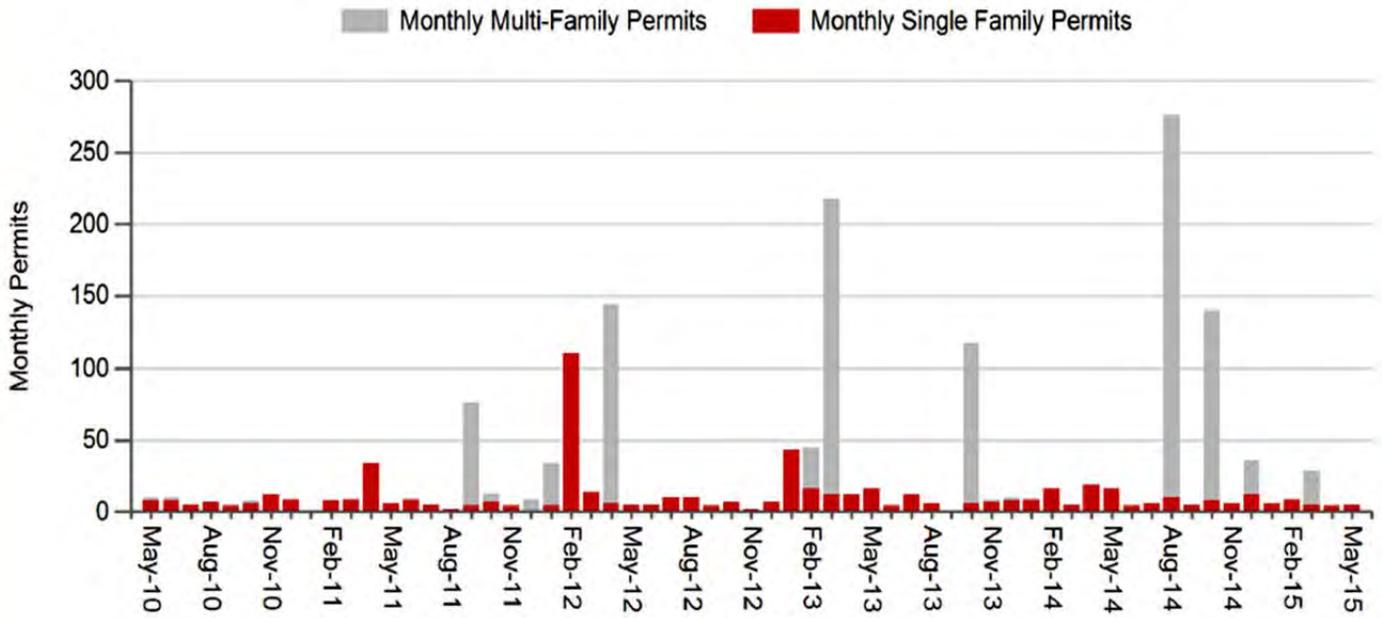
From a real estate standpoint, the Federal Housing Finance Authority House Price Index shown below states that for the first quarter in 2015, Athens-Clarke County had a score of 172.47. This means that home values are about 72% above where they were in the comparison year of 1995. This is an improving trend, as the index rating was 162.92 for the same period in 2014, reflecting just under a 10% increase over the last year.

According to building permit data provided by the US Census Bureau, there is much more multifamily development than single family development in Athens. From the data, it is derived that the total of all permits for a 12-month period ending in May 2015 is 526; an increase of 133.8%. Although the annual permit activity has increased, the single family portion of that is only 80, representing a decrease of 26.6%. Multifamily is the dominant driver of new development in Athens. During this same 12-month period, the multifamily portion is 446 — an increase of 284.5%.

For reference, figure 2.1 below shows monthly permit activity in Athens for the last 5 years.

Athens-Clarke County Monthly Permits

Fig. 2.1



Single-family development activity has been repressed for some time. By comparison, the majority of development in the surrounding metropolitan area counties is single family. If neighboring Oconee County permit totals are displayed side-by-side, Oconee is developing single-family homes at a ratio of 4:1. This may be attributed by the demand to leave Athens-Clarke County and seek options elsewhere as a result of the lack of single-family housing options available.

The Oconee comparison underscores the need for attention, however when the trend is explored for the entire region, there is a need for alarm. Table 2.2 below illustrates the amount of units and investment in housing development for the Athens region. In single-family development, Athens-Clarke County is surpassed by all but two neighboring counties: Madison and Oglethorpe (Note: Oglethorpe has been excluded from this data presentation as their reported numbers were significantly smaller). Athens-Clarke County leads in multifamily development however it is behind from a total investment standpoint.



HOUSING UNITS	Athens-Clarke	Barrow	Jackson	Madison	Oconee
Single Family	116	380	455	66	293
Two Family	0	0	0	0	2
Three and Four Family	0	0	0	0	4
Five or More Family	422	64	0	0	0
Total Units	538	538	455	66	299

HOUSING INVESTMENT	Athens-Clarke	Barrow	Jackson	Madison	Oconee
Single Family	\$21,704,050	\$47,806,464	\$95,974,660	\$14,229,217	\$79,542,666
Two Family	0	0	0	0	\$220,000
Three/Four Family	0	0	0	0	\$440,000
Five or More	\$28,823,748	\$6,300,000	\$0	\$0	\$0
Total Investment	\$50,577,799	\$54,106,464	\$95,974,660	\$14,229,217	\$80,202,666

Fig. 2.2 Housing Units and Investment



The Role of Multifamily

The multifamily influence on Athens is undeniable. Grasping the overall impact is essential, which is why Athens-Clarke County, along with the Athens Housing Authority, requested an analysis of the multifamily housing state of affairs. The study was conducted by John Wall & Associates and was completed in the spring of 2015. The study surveyed 13,827 properties, which included 6,188 student properties and 7,639 non-student properties. The student properties surveyed were defined as having student occupancy of 50% and above or a negotiated lease by bedroom versus unit.

Between 2005 and 2015, there were 19 apartments with a total of 2,255 new units built in Athens, according to John Wall's study. Of the 2,255 units built, 67% of those units are considered student apartments. Only three of those 19 complexes built were targeted for working families. Over the last decade, developers have only provided the workforce with 11% of the new units being added to the market.

The glaring concern is that there is no concerted effort to provide additional public or private sector housing solutions for the workforce. The only multifamily segment that is neglected more is the senior housing sector. The zero percent vacancy rates for elderly housing seems to indicate that there is a need for more senior housing.

Rental housing for working families could possibly be a solution for what happens to the older complexes should students abandon them for newer developments.

**Athens Clarke County
Neighborhood Assessment Map**
June 30, 2015

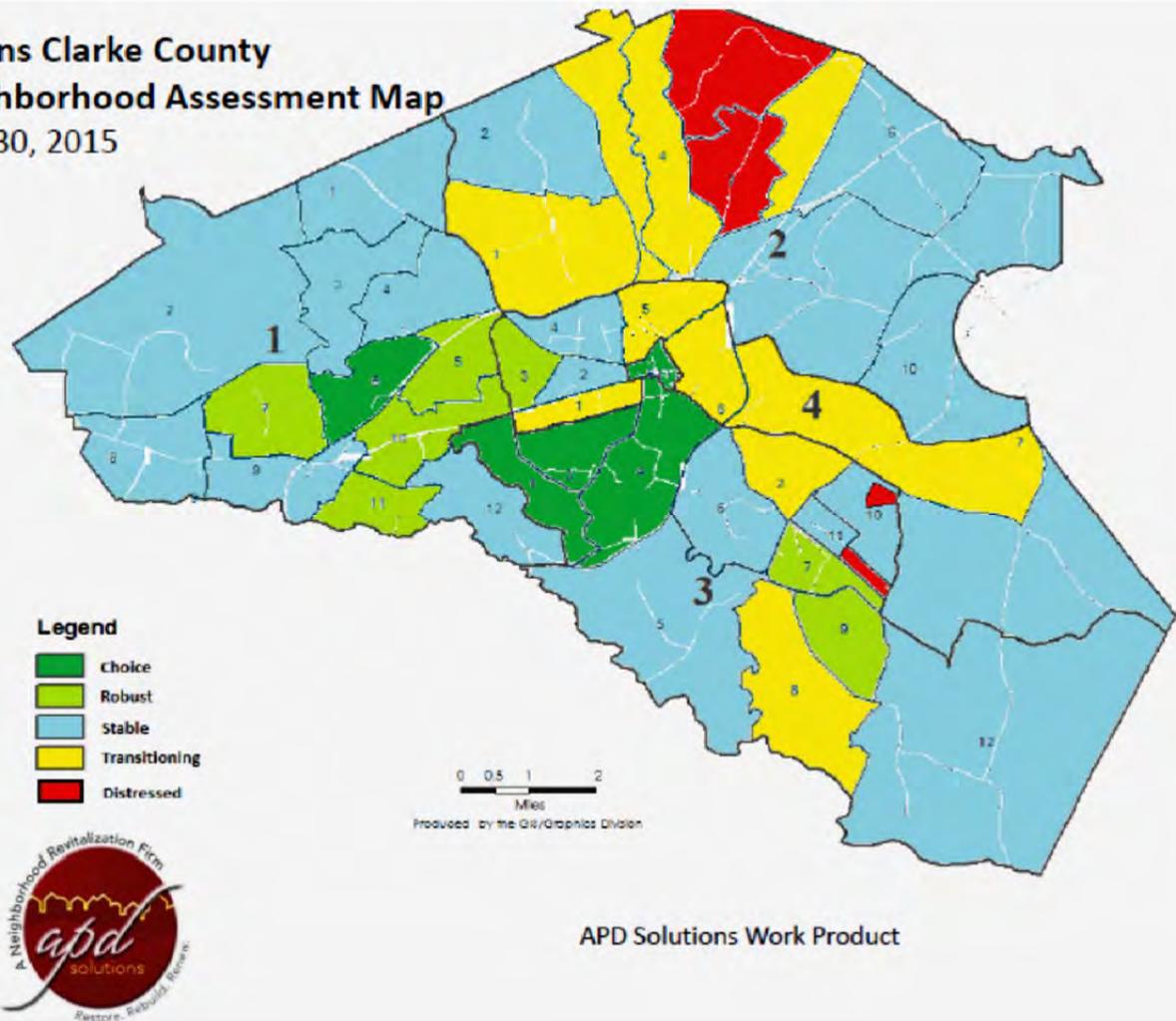


Fig. 2.3 Neighborhood Conditions and Zone Profiles

Neighborhood Conditions and Zone Profiles

In an attempt to understand the community environment, the consultant team began to look at the neighborhoods. The project's Governance Committee decided to use the Athens-Clarke County Unified Government Community Protection Zones (CPZ) as the basis for neighborhood assessment. The CPZ breaks down the jurisdiction into 42 distinct neighborhood areas, divided into four aggregating zones.

The consultant team conducted neighborhood zone windshield surveys to provide stakeholders a simplified way to understand the current status of these communities and how they are excelling or facing challenges. This can also be seen as a competitive assessment of the future viability of different neighborhoods. Field surveyors were instructed to evaluate the chosen area based on aesthetic qualities and to conclude the assessment with an overall rating using the following categories: Choice, Robust, Stable, Transitional, and Distressed. (See figure 2.3).

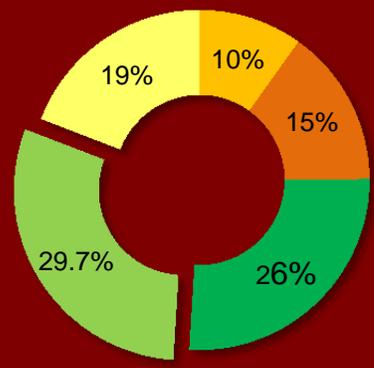


Workforce Preferences and Motivations

The workers of this community have many opinions, and the consultant team captured them through a direct survey. The target population was the Athens-Clarke County workforce. The objective for this survey was to gather information about the socioeconomic profile of the workforce and to identify housing preferences. There were more respondents than expected, and the key finding of the survey showed that more than 70% of respondents live and work in Athens-Clarke County. Of all the people surveyed, 91% drive to work and most people have a 15 to 30 minute commute. Yet 60% of the population considers transportation a problem.

According to the responses in the workforce survey, most people tend to own the houses they live in, where around one-third of the people surveyed rent. About 80% of the workforce lives in a single-family home and 17% of people live in apartments, condos, townhomes, or duplexes. The remaining 2.42% live in mobile homes.

Respondents who live somewhere else rather than near where they work were asked the reasons why. The survey found that some people simply preferred another community (29.72%); others lived somewhere else before they got their current job (25.98%); some felt there were no affordable options nearby (14.96%) , and some stated they don't live close to their job because their spouse or family member works in another community (9.84%).



- Spouse/family works in another community
- Not enough affordable housing options
- I lived somewhere else before I got the job
- Prefer another community
- Don't know

Fig. 2.4

Reasons for Workers Choice of Residency

Affordability is at the top of the survey respondents' minds. When asked about their feelings regarding workers in Athens being able to find housing they could afford, 44.41% indicated that it is the more serious or one of the most critical problems facing the community. (See figure 2.5 below)

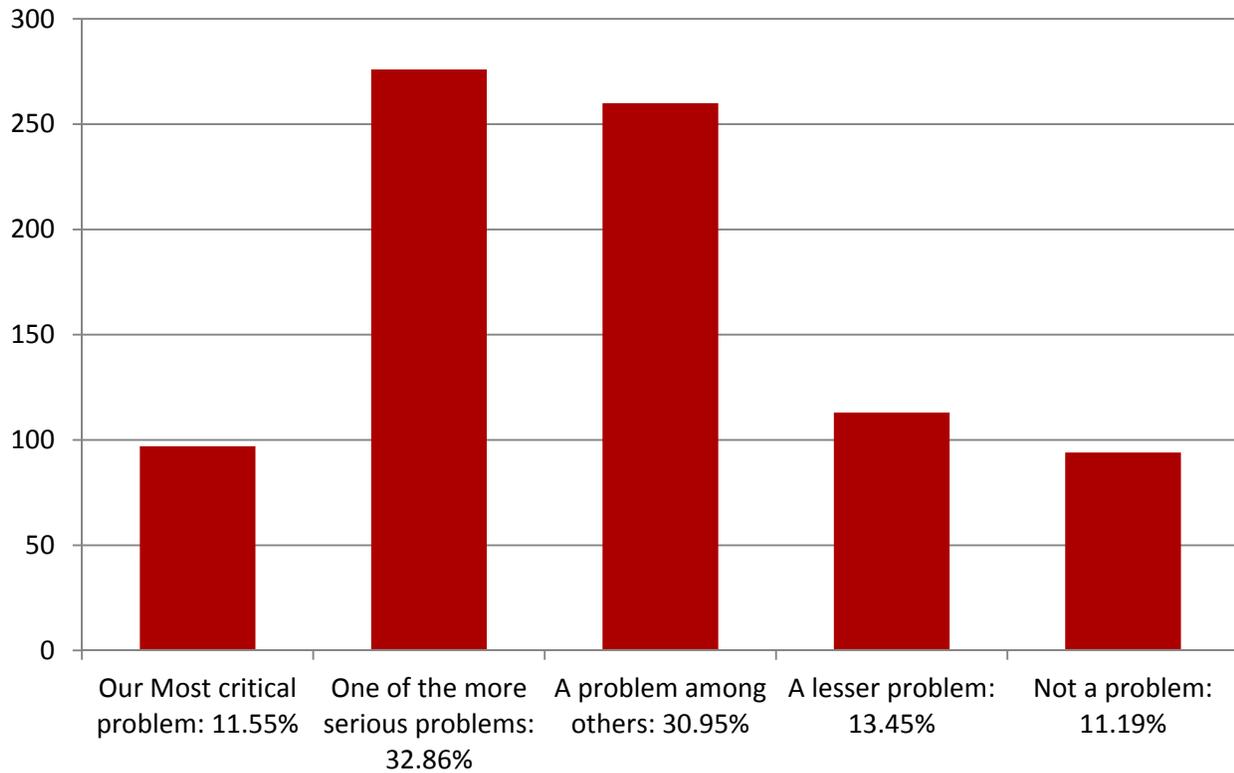


Fig. 2.5 The Affordability Problem

Survey Respondent Major Concerns

There was an option to provide an anonymous comment about the housing needs of the workforce. The main topics comments were:

- *Anxieties over housing affordability and choice*
- *The proliferation of student housing*
- *Worries about safety and crime*
- *Uneasiness about government and market-provided low income housing*
- *Angst about public education.*



Executive Summary

Part 3: Observations and Action plan

Unfortunately homebuyers and renters are often treated as homogeneous groups but their decisions are based upon many factors, motivations and trade-offs. Understanding how those decisions and trade-offs are made will help Athens-Clarke County best determine approaches for supporting its workforce and preserving a diverse mix of local residency. Notwithstanding of everything presented regarding economics, preferences and household mobility, we must acknowledge the importance of place.

Many believe that it is tied to the Abraham Maslow Hierarchy of Human Needs. Maslow was a psychologist that studied the needs of human beings. He discovered people have five different levels of needs and believed lower-level needs have to be satisfied before upper-level needs can be addressed.

If Athens can transcend beyond satisfying the most basic level of human needs—shelter, and move its residents further up the scale to self-esteem and self-actualization it will become a community of choice for its entire workforce. With this in mind and informed by the data collected throughout this process, the consultant team began shaping the foundation for recommendations relating to the following matters:

1. Cost (C): Issues dealing with the satisfaction of basic physiological needs through the ability to afford housing in Athens.
2. Proximity (P): Issues involving basic safety needs including through improving a sense of security in the city and providing more adjacency to places of employment.
3. Education (E): Issues surrounding esteem needs associated with achievement, building confidence and gaining respect of others through education.
4. Reputation (R): Issues surrounding belonging and esteem needs through offering wide choice of communities with strong reputations and prestige.
5. Amenities (A): Issues surrounding a desire for self-actualization through the accessibility of broad options in Athens that allow for maximum self-expression and creativity.

Sample of Key Findings

The general findings from this study indicate multifaceted and wide-ranging challenges for the workforce. Some are unintentional; others are market driven, while others are socio-economic. The recommendations presented subsequently are based on these discoveries. Driven on the research presented, the consultant team has reached the following conclusions and generalizations:

- Only 59 % of the workers in Athens-Clarke County actually live in the County. Oconee and Jackson are attracting 10 % and 9 % of the workforce as residents respectively.
- The Home Price Index indicates that home prices are about 72% higher than they were in 1995. There are three dominant housing decision groups in Athens.
- The demands of these three decision groups are driving the housing options. They are:
 - Students
 - Households with children
 - Households without children
- The households without children are quickly growing in Athens. They were 51% of survey respondents compared to 38% of respondents being households with children. Households with children tend to be younger households and newly forming. These households have more tendencies toward mobility. The workforce decisions are bifurcated around the existence of children and the different needs.
- The growth of surrounding counties, especially those to the west, is a risk to the future of Athens because those areas are drawing away the households with children.
- Athens-Clarke County has the lowest percentage of households with children of the entire region at 22.3%. In comparison with Oconee who has the highest at 42.6%.
- In 2014, Athens only had \$22,000,000 in single-family investment while Jackson had \$96,000,000 and Oconee had \$80,000,000.
- Eighty percent of the Athens-Clarke County housing investment during 2014 was dedicated toward multifamily units.
- Athens had 2,255 rental units built since 2005. Of those units only 11% (251 units) were built as workforce or family targeted units.
- Athens has extreme poverty with 36.7% of its households living below poverty.
- Sixty-four percent of households are making less than \$50,000 per year.
- This study research revealed that of those who currently own a home, 40.17% are looking to buy a new home.
- About 44% of those surveyed believed housing affordability in Athens-Clarke County is a serious or critical problem.



Recommended Action Plan

Based upon the analysis in this report, the following tactics are recommended:

- Tactic 1:** Establish a targeted workforce or employer assisted housing initiative
- Tactic 2:** Create Adopt-A-School partnerships with local businesses
- Tactic 3:** Develop a lease-purchase option
- Tactic 4:** Provide a property tax abatement to incent investment and renovation
- Tactic 5:** Establish a workforce housing trust fund
- Tactic 6:** Evaluate inclusionary zoning
- Tactic 7:** Collaborate with builder/developers to remove workforce housing barriers
- Tactic 8:** Improve pedestrian mobility
- Tactic 9:** Create stronger identities for neighborhood areas
- Tactic 10:** Establish a Workforce Housing Advisory Council



Executive Summary Conclusion

Our extensive analysis of data regarding the Athens-Clarke County workforce, the housing marketplace and the demographics of households living in counties throughout the region, indicates three challenging circumstances pertaining to workforce housing:

- 1) *There is a growing loss of households with children.*
- 2) *There is an increasing gap between income and housing cost.*
- 3) *There is a severe deficit in new housing development that is most desired by the workforce.*

The APDS consultant team hopes that the Athens Workforce Housing Assessment will spur the desired evolution of the community to its desired level. This report is designed to be an illustrative final report that can be used by area residents, public agencies, homebuilders, local non-profit developers, for-profit developers, employers, and investors of all types to fuel future development projects. Now that the research process is complete, and workforce housing wishes are identified, the strategic implications of having this knowledge in one accessible place should empower individuals, organizations and collaborations to step forward in concert with Athens-Clarke County to continue **Working for the Best.**



The workforce family is nearly an abandoned segment of the population. Thousands of households fall into an income category where the American Dream is visible, but not tangible.



Full Report

PART 1: BACKGROUND

Introduction

Athens-Clarke County is located along the Oconee River in northeast Georgia. In 1801, Clarke County was the twenty-sixth county that was created in the state, and the town of Athens was chartered in 1806. The modern-day municipality is comprised of the former City of Athens and Clarke County which consolidated in January of 1991, making it the second consolidated government in Georgia and the twenty-eighth in the United States. The municipality covers approximately 122 square miles, including over 425 miles of streams and rivers. Athens is the smallest of Georgia's 159 counties and has a population of 123,084 residents and 46,995 households (Neilson Claritas Market Research and US Census American Community Survey Data).

Originally inhabited by members of the Cherokee and Creek Indian nations, Athens is proud to have 40 nationally-registered sites and 16 nationally-registered districts. As the area became more established for White settlers, there were a handful of watershed moments. For instance, after the American Revolution, in order to cajole new people to settle the area, the state offered 1,000 acres per family for a small payment amount. The offer was attractive and drew a substantial number of people from North and South Carolina. Another important event in the development of Athens was in 1801, when the Georgia legislature chose the area as the site for the first chartered state university in the United States. Athens became the county seat decades later in 1872.

Today, Athens-Clarke County is Georgia's fifth-largest city. Athens is known for its residential quality and landmarks and also for its preserved 1800s historic townscape. It has aged gracefully and is clearly solidified as the center for commerce and trade, education, health services, and culture for all of northeast Georgia. The city works hard to maintain its distinctive sense of place in the face of rapid growth and development.

Purpose of the Study

The Unified Government of Athens-Clarke County (ACCUG) commissioned this Workforce Housing Needs Assessment and Strategy to support and maintain workforce housing in the County. This project is designed to identify deficiencies within the existing housing stock and to identify strategies to encourage housing diversity. The overall project's purpose is to find an answer to the question: Is there sufficient and available housing to support the ACCUG workforce housing needs, and if not, what can be done about it?

The study also addresses multifamily housing in the jurisdiction by answering the question: With the recent proliferation of new student housing development, it seems to perpetuate a historic pattern of students gravitating to newer development, and the older complexes that are vacated begin a cycle of deterioration. Is this a real problem, what is the impact on the community, and what can be done about it?

The Workforce Housing Needs Assessment is designed to ascertain the workforce housing needs of the community based on socio-economic conditions, regional growth projections, and housing affordability relative to the regional workforce. The hope is that the body of work provides a guide to the entire community as to how we can continue Working for the Best in Athens-Clarke County.

What Is Workforce Housing?

Even though there has never been a widely accepted approach to supporting the workforce, employer-assisted housing has a time-honored history in the United States. There are many documented efforts by individual employers designed to create a competitive advantage in recruiting workers, keeping workers living near jobsites in order to reduce absences, providing shelter to better control wage outlay, or using it as leverage to bind employees to the business. Many neighborhoods throughout the United States originated as communities that were developed for employees of a particular industry. Despite this history, workforce housing had not been fully engrained in local government public policy, and has not been embraced in the same way as affordable housing.

Workforce housing began to emerge as a trend in public policy in the 1970s. The concept has its roots in the ski towns of Telluride and Aspen, Colorado. Community leaders began to recognize that local residents and workers were not able to purchase homes due to the disparity between wages and the cost of homes and land rising sharply due to buyers from New York and California. In response, a conference was organized at the Aspen Institute where a plan was developed to create a secondary and separate “local worker” housing market, which would be based on local prevailing wages and affordability based on those wages.

One resulting tool used to create affordably-priced homes for local workers, and to ensure that they remained affordable in the future, was a deed restriction. The restriction stated that certain homes must be sold to persons who had lived in the community for a minimum period of time; who did not own other homes in the community; and who worked full-time.





The restriction also stated that the seller could only sell the property to someone who met the same criteria. Over time, additional policy changes were added to include income restrictions and capping the amount of profit to guarantee affordability. At first, the workforce problem in resort communities seemed to be an irregularity, but it is now seen as a forerunner to the problems observed throughout the nation in the present day.

Today, there is often confusion between workforce housing and affordable housing. It should be clear that for the purposes of this study, although there may be an overlap, low-income or subsidized shelter situations will not be discussed. The term workforce is meant to represent those who are gainfully employed but are not clearly understood or recognized as a singular group. Affordable housing is for households whose income is 80% of area median income or less; the definition does not imply that someone who is of low income is not in the workforce. Workforce households are those with earned income from 60 to 120% of the area's median income that may be insufficient to secure decent housing in reasonable proximity to local job centers. The term workforce housing can refer to any type of housing.

The workforce family is nearly an abandoned segment of the population. Thousands of families fall into an income category where the American Dream is visible, but not tangible. They find it difficult to purchase or rent a home in an area that is both in close proximity to their work and sufficient for their needs. As a result, municipalities are losing contributors to their economy because they are no longer driving for commute; they are driving until they qualify. The consistent issues facing communities throughout the nation regarding housing the workforce include:



- 1. Affordability. Unfortunately, home prices have risen faster than income in the United States, which has created a gap in buying power. Additionally, the conditions of failing public schools have forced many parents to live farther away, or add private schooling to their household expenses.*
- 2. Characterization. Many communities do not clearly understand or define the workforce as a group who needs assistance because they are identified as 'gainfully employed'. Most federal and state housing programs are designed to help lower-income families and have historically ignored the needs of these contributors to the economy.*
- 3. Proximity. The rising cost of housing has forced many essential workers to seek housing on the periphery of urban areas, sometimes great distances away from the work site. The best workforce housing options are those that are near the work site, allowing employees a better work-life balance.*
- 4. Quality and supply. Weighing cost against proximity usually forces workers to make a trade-off, which results in poor quality, reduced amenities, or sacrificing safety. Options become limited and force many workers to remain as renters longer than they would prefer.*

The Athens Workforce Challenge

Clarifying the Athens workforce must extend beyond generic definitions. It is vital to see the face of this important group. According to the US Bureau of Labor Statistics, there are 259 distinct job classifications in Athens-Clarke County. The consultant team grouped approximately forty positions that fall within the workforce definition of 120 % of median income and below. The table on the next page details this sampling in order by annual salary per position. Table 1.1 also provides a sense of who comprises this 120 % of median income and below segment. For the purposes of this study, the HUD area median income is \$56,600, making 120 % of this income \$67,920.

Table 1.1 Job Classifications

Athens-Clarke County Job	Average Annual Salary	No. of Workers
Dental Hygienist	\$64,780.00	90
Claims Adjuster	\$63,880.00	60
Registered Nurse	\$60,900.00	1990
Librarian	\$59,400.00	130
High School Teacher	\$57,700.00	490
Elementary School Teacher	\$54,190.00	950
MRI Technologist	\$54,060.00	40
Real Estate Appraiser	\$51,090.00	30
Postal Mail Carrier	\$49,310.00	180
Auto Body Mechanic	\$46,460.00	80
Building Inspector	\$44,760.00	60
Electrician	\$44,040.00	260
Vocational Education Instructor	\$44,020.00	190
Police Officers	\$41,660.00	580
Graphic Designer	\$39,640.00	120
Fitness Instructor/Personal Trainer	\$36,500.00	220
Delivery Truck Driver	\$35,030.00	500
Maintenance/Repair Worker	\$34,860.00	830
Exterminator	\$34,470.00	260
Hotel or Restaurant Chef	\$33,370.00	250
Medical Lab Technician	\$32,540.00	40
Secretary/Assistant	\$32,190.00	1420
EMT/Paramedic	\$29,450.00	330
Landscaper/Groundskeeper	\$27,680.00	610
Pharmacy Technician	\$27,500.00	310
Bank Teller	\$27,140.00	240
Hairdresser/Cosmetologist	\$27,060.00	200
Preschool Teacher	\$26,900.00	120
Receptionist	\$26,450.00	920
Highway Maintenance Worker	\$26,380.00	50
Janitor/Cleaner	\$22,680.00	900
Retail Sales Representatives	\$22,550.00	2780
Laundry/Dry Cleaner	\$19,660.00	180
Maid/Housekeeper	\$19,640.00	550
Cashiers	\$18,970.00	1940
Bartenders	\$18,220.00	540
Personal Health Care Aide	\$18,180.00	480

The table helps shape the understanding of the Athens Workforce Housing target population. They are employees essential to perpetuating the way the community lives on a daily basis. This group feeds, protects, repairs, educates, grooms, cleans, and saves lives in the community every day. Unfortunately, many of them cannot afford to live in Athens-Clarke County or provide their families the lifestyle they desire. A deeper analysis of this table reveals the disturbing truth of why these working families are challenged.



First, it should be noted that each of these jobs has an entry level that may be as much as 30% below the average income presented in the table. For example, an elementary school teacher in Athens has an average annual salary of \$54,190, but the entry-level salary for that position is approximately \$38,730. In this case, the entry level compensation is 29% below the average. The table clearly identifies how challenging it is for the average worker - a problem that becomes exponentially more difficult for entry-level or early career employees.

Second, the use of median income is tricky and makes it more difficult to pinpoint the issue. HUD uses AMI to create threshold eligibility for a variety of federal housing programs. The median indicates that half the population is above, and half is below, that number. AMI is derived for a metropolitan area, which means Athens-Clarke County is not the only county to be calculated into that number; it also includes Oconee, Jackson, Madison, and others. Those surrounding areas help skew the number higher. If the Athens Clarke County median income is \$32,715, as defined by the US Census Bureau, the problem can begin to be identified. Every worker at ACC median income and below earns less than the HUD 60% of AMI number.

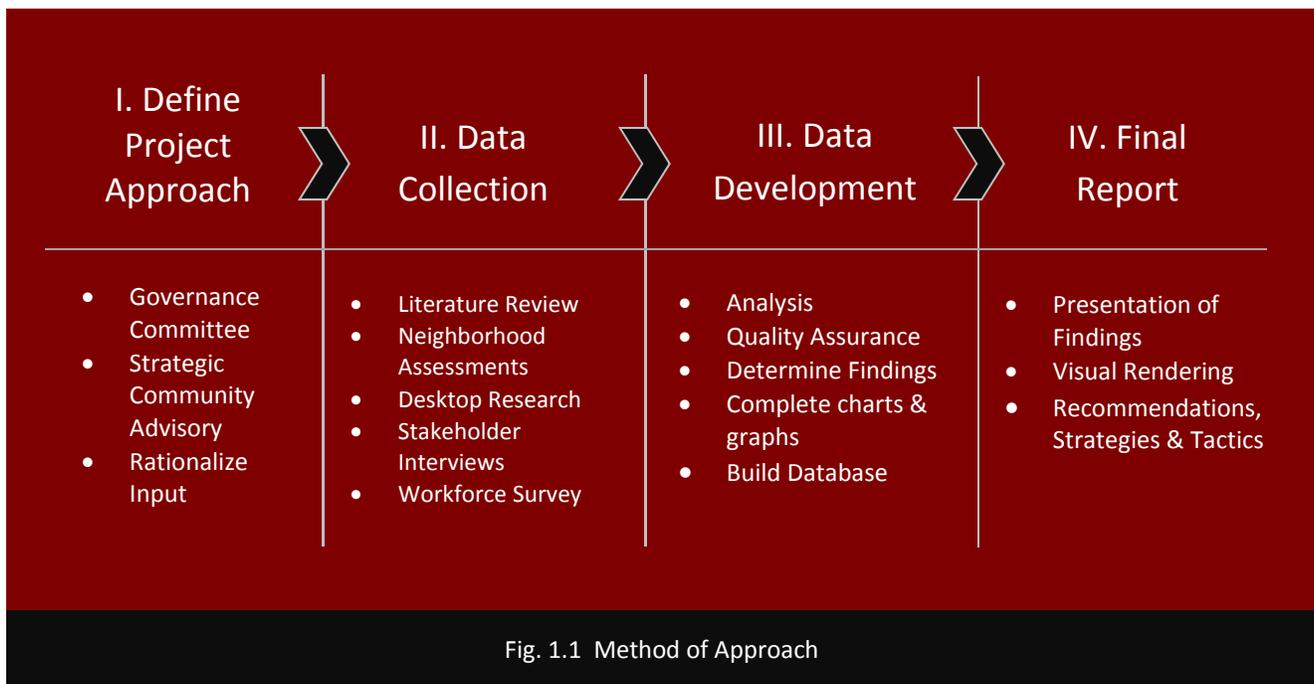
This friction between earnings and the housing market creates unintended consequences for this community. This report will explore these challenges and attempt to provide stakeholders with the understanding of these issues and the tools to navigate toward a different outcome. If change is not made to bridge this gap, Athens may find itself unable to recover in the next generation. It is hoped that the information contained within this Athens-Clarke Workforce Study will call local leadership to action that can collectively create a more positive environment for workers, their employers, and local neighborhoods, ultimately molding the Athens of the future.

Method of Approach

It is clear that there are many factors underlying the challenges found in the local housing market and workforce needs. This study’s approach seeks to review the current dynamics impacting Athens-Clarke County neighborhoods and the essential personnel from its labor force. It is the first step in a process to create a series of recommendations and action-oriented strategies to shape public policy and create the most desired future. This plan is guided by the following objectives:

- To assess the depth and breadth of the housing market for the entire city; APDS evaluated the potential market for different types of neighborhoods.
- To evaluate the opinions and preferences of the employee base in the context of current choices and programs as the basis for determining what could be enhanced.
- To maximize the public and private financial and organizational resources available to improve the environment for local employees to select Athens-Clarke County as their community of choice.
- To coordinate resource allocation in areas that will reinforce existing neighborhood strengths and leverage both public and private financial investment.
- To digest the activities of housing, economic development, public improvements, private programs, and other services as a sum total to assist the local workforce, rather than as efforts in a silo.

With these objectives in mind, the APDS consultant team designed a comprehensive methodology to complete this project in four phases. Each is summarized and illustrated by the diagram below:



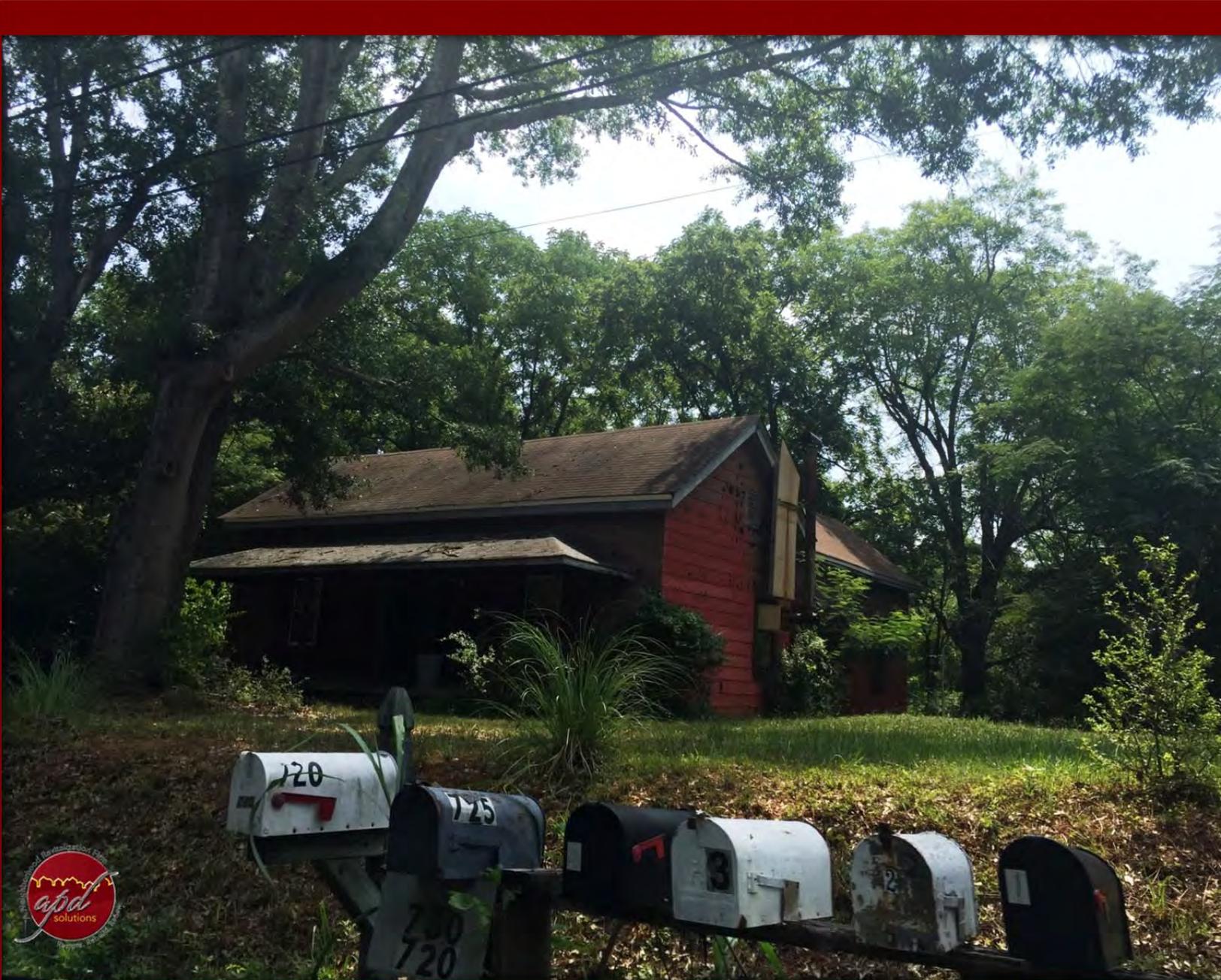
Through experience in neighborhood redevelopment and economic development strategies, APDS has an unparalleled perspective into the intricacies of navigating the needs of a workforce population. APDS analyzed and assessed the area's key resources and influences that impact the community's stability. Comparable neighborhood characteristics were evaluated to provide observations on each area's competitive position and potential for investment opportunity. The analysis addressed general economic and demographic characteristics and trends, historical information, anecdotal input, and general market characteristics such as migration patterns, real estate transactions, income-affordability gaps, and other market indicators.

This final workforce assessment report includes a market/demographic analysis, a workforce opinions survey and neighborhood conditions assessment, data review, and a gap analysis to determine if there is a sufficient mix and quality of workforce housing. After having conducted a literature review, the consultant team began the project in April 2015 with the establishment of the Governance team. The team then completed a city-wide neighborhood tour and conducted focus group meetings with community stakeholders in May 2015. The next major step was completing a market demographic/economic analysis and visual neighborhood condition assessment in June. Between June and July, a web-based employee survey was completed, which included a representative sample of 840 respondents. The market snapshot reports, neighborhood condition assessment, and survey results were delivered in August 2015. This final report was compiled and presented in September 2015, bringing the 6-month effort toward a conclusion.

**GRIND
HOUSE**
KILLER BURGERS

1553





Over the last decade,
developers have only
provided the workforce
with 11% of the new
units being added to
the market.



PART 2: THE COMMUNITY CONTEXT



Literature Review and Stakeholder Engagement

In the process of completing this Workforce Housing Assessment, APDS reviewed a number of recent economic development reports, housing studies, market profiles, strategic and comprehensive plans, and news articles. These documents were written by consulting firms, housing organizations, urban planners, local advocates, media representatives, and other parties.

There are many new student housing developments appearing online. This begs the question whether there is enough demand to support this new student housing supply. The new supply means that property managers will be aggressive in reducing vacancies, leaving older multifamily projects with more vacancies and less revenue to cover minimum operating expenses.

There is a concern about student housing in residential neighborhoods. The potential for over-building seems real. The literature review revealed the following:

- Strong sentiments about the proliferation of student housing.
- The acceleration of gentrification in East Athens.
- The growth of McMansions in desirable neighborhoods.
- The demolition of older homes to make way for larger homes.
- The fear of rising tax bills reducing affordability for long-term residents.
- 73 % of UGA students seek off-campus housing options.
- Lack of incentives to direct housing development in a more balanced way.

Stakeholder engagement is always critical to APDS's successful delivery of assessment and planning services. The APDS Athens-Clarke County project team held regular meetings with a governance committee and a community advisory group and scheduled briefings with business leaders.

Engaging local stakeholders with diverse experience, historical knowledge, and opinions, delivered strong outcomes for the Workforce Assessment and influenced the formation of numerous recommendations therein. In regards to housing opportunities and challenges, some of the comments that emerged from the interviews and meetings follow.

What would you like to see changed about Athens?

- Increase the availability of blue collar and manufacturing jobs.
- Improve the education pipeline.
- Better mixed of housing types (mixed affordable).
- Better control of the rental property situation (market place) – too many.
- Improve the vision of Athens by creating more jobs and wage improvement.
- Change the public opinion that developers/builders aren't good for the community.
- Improve neighborhood integration:
 - More transit services
 - Less isolation
 - More diversity
 - Reduce the poverty rate
- Fix the income disparity among residents and student population.
- Manage the impact of student housing.
- Define the family enforcement ordinance.
- Incentivize older apartments to reinvest and remodel.
- Address the historical issue of African-American neighbors moving out and students moving in, and transitioning to student rental from single families.



How do you hope the workforce study can help the community?

- Lead to workforce housing development.
- Create an understanding of employer wages.
- Address housing values versus location.
- Develop income stratification and analysis.
- Lead to an understanding in the community about the situation using real income and housing data.
- Understand how housing patterns are changing; Millennials prefer flexibility.
- Survey what the people in the marketplace want.
- Find out what the workforce really wants:
 - Apartments versus Single Family
 - Rental versus Homeownership
 - Education
 - Amenities
- Clean up the Bethel Apartment complex.
- Identify where students who live off campus are.
- Help understand if cost of housing drives employees to live outside of the county.
- Determine location of housing versus cost.
- Develop an approach to reach out to the employee base.
- Address access to the Internet.
- Help clarify why people live where they choose to live.
- Develop strategies to offset "education being the whipping post."
- Address the issue regarding limited access to senior housing.
- Answer how Athens-Clarke County incentivizes affordable types of housing.
- Answer how we incentivize people who work in Athens to live in Athens.



The Athens Market Snapshot

Despite Athens-Clarke County being the smallest county in the state, it packs a large economic punch. Athens is widely recognized for having one of the lowest unemployment rates in Georgia, attracting private companies and a blend of federal and state government jobs. To those who are unfamiliar with all Athens has to offer, the community may be more well-known as the home of University of Georgia (UGA). UGA is a part of a formula for the jurisdiction's economic success, with over 34,000 students and 10,000 full- and part-time employees. Other large employers in the county are Athens Regional Medical Center with 3,500 employees; ACC Government with 1,586; Pilgrim's Food Processing with 1,829; St. Mary's Hospital with 1,044; and Caterpillar with nearly 1,000. The Athens economy experienced slow growth throughout the late 1990s, however it picked up tremendously after the turn of the century with the expansion of UGA's student enrollment.

According to the US Census Bureau, there are 66,160 persons working in Athens-Clarke County. Of those, 59%, or 39,009 employees, actually live in the county. The remainder of workers drives into the county from elsewhere. When analyzing the employed residents of Athens, there are 41,185 total resident workers; 81% work in the county and the other 19%, or 9,176 persons, work outside of the county.

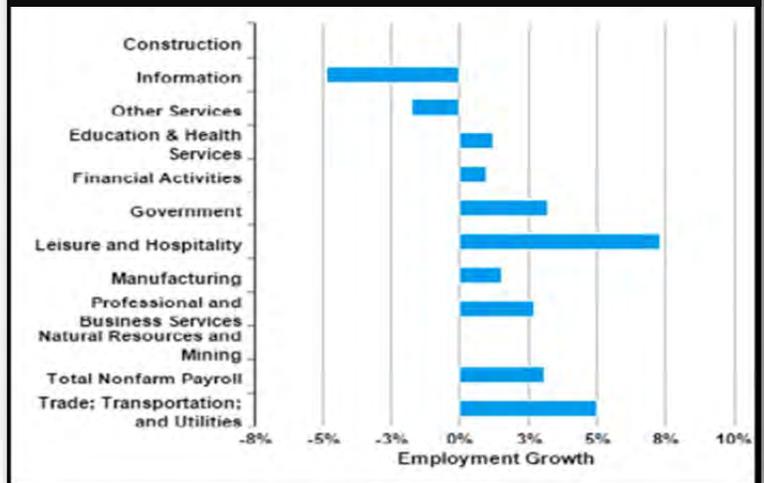
The most recent recession has undeniably impacted everyone however Athens-Clarke is recovering generally well. Employment is increasing in the Athens market, however if analyzed by sector, a handful of anomalies can be seen. For example, the rate of employment growth in the information sector decreased by 5%, whereas the leisure and hospitality industry increased by 8%. The information and other services groups are the only sectors that have negative growth; those sectors decreased, while the other sectors increased at an average of 3.625 %.

Fig 2.1 Persons Working In Athens-Clarke County

COUNTY OF RESIDENCE	NUMBER	PERCENT OF TOTAL
Clarke, GA	39,009	59.0
Oconee, GA	6,696	10.1
Madison, GA	6,048	9.1
Oglethorpe, GA	3,358	5.1
Jackson, GA	3,022	4.6
Barrow, GA	1,580	2.4
Gwinnett, GA	895	1.4
Walton, GA	895	1.4
Other	3,970	6.0
Total Residents:	66,160	100.0

Note: 'Other' category represents employment from U.S. counties only.
Source: U.S. Census Bureau - County-To-County Worker Flow Files.

Fig 2.2 Employment Growth By Sector



From a real estate standpoint, according to Metrostudy, the Athens, GA, market saw an increase in the closing of new homes in May 2015 year-over-year; however signs of market leveling were shown, as the percentage rise was less than in April 2015. There was also a 12.5 % climb in new home closings from a year earlier. In comparison, new home closings in the same month last year saw a 33.3 % jump year-over-year in April, and a total of 181 new homes were sold during May 2015; this was a slight increase from 179 for the previous measurement period. As a percentage of overall housing closings, new home closings made up 6.1 %, which is better than the 4.9 % of closings a year earlier.

The Federal Housing Finance Authority House Price Index (Fig. 2.3) states that for the first quarter in 2015, Athens-Clarke County had a score of 172.47. This means that home values are about 72 % above where they were in the comparison year of 1995. This is an improving trend, as the index rating was 162.92 for the same period in 2014, reflecting just under a 10 % increase.

House Price Index Trend

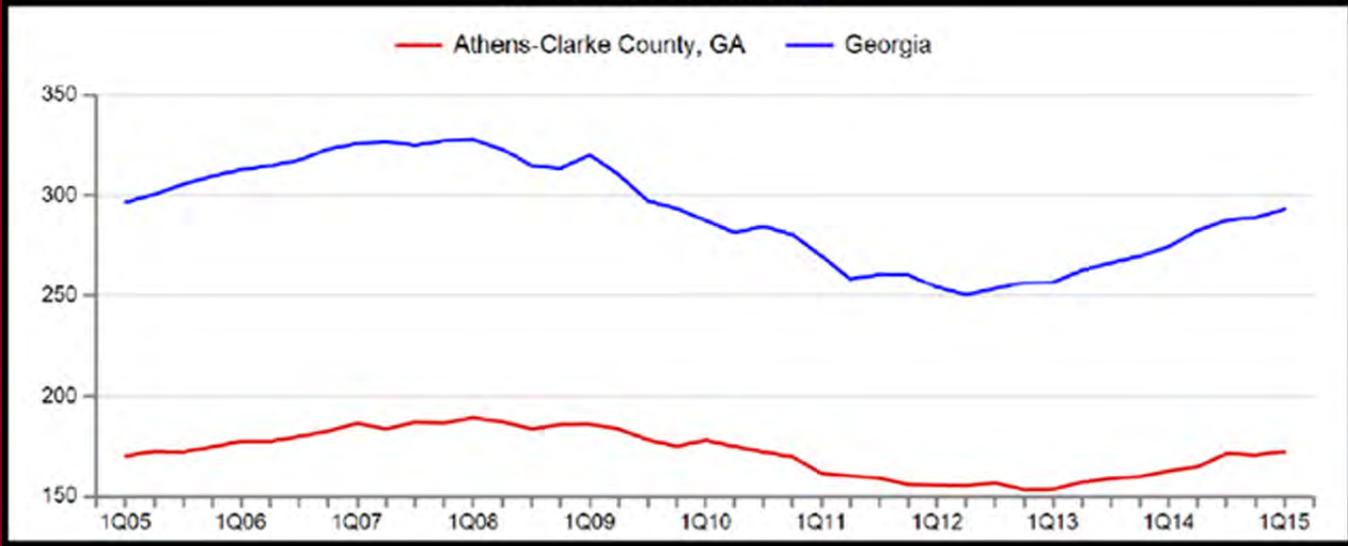


Fig 2.3

The average sales price in Athens for all types of sales activity was \$200,400 in May 2015. This includes resales, new homes, foreclosures, and REO. The sales price for new construction is much higher, whereas the average price of newly sold homes rose year-over-year by 8.4% in May to \$338,028 per unit. From a market activity perspective, this number is welcome news compared to a 14.1% decrease from the same period a year earlier. Unfortunately, from a workforce family standpoint, this underscores how unaffordable the market is. There was an upsurge year-over-year in the average mortgage size on new homes along with new home prices, and in May 2015, the average mortgage size was \$318,998, up 19.7% from a year earlier.

Foreclosures and real-estate owned (REO) closings continued to fall from a year earlier in June however they did appear to be an affliction on market transactions. Foreclosures, plus REO closings combined, represented 13% of existing home closings; far below the 21% and 24% found in June 2014 and June 2013, respectively. The percentage of existing home closings involving foreclosures was 6% in June, decreasing from 7% a year earlier, while REO closings as a percentage of existing home closings fell sharply to 7% from 14% a year earlier.

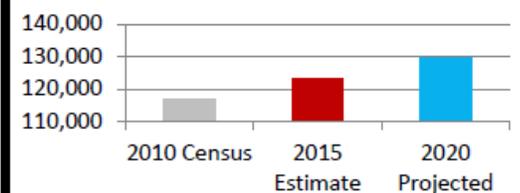
Athens-Clarke Home Sales Activity Fig 2.4



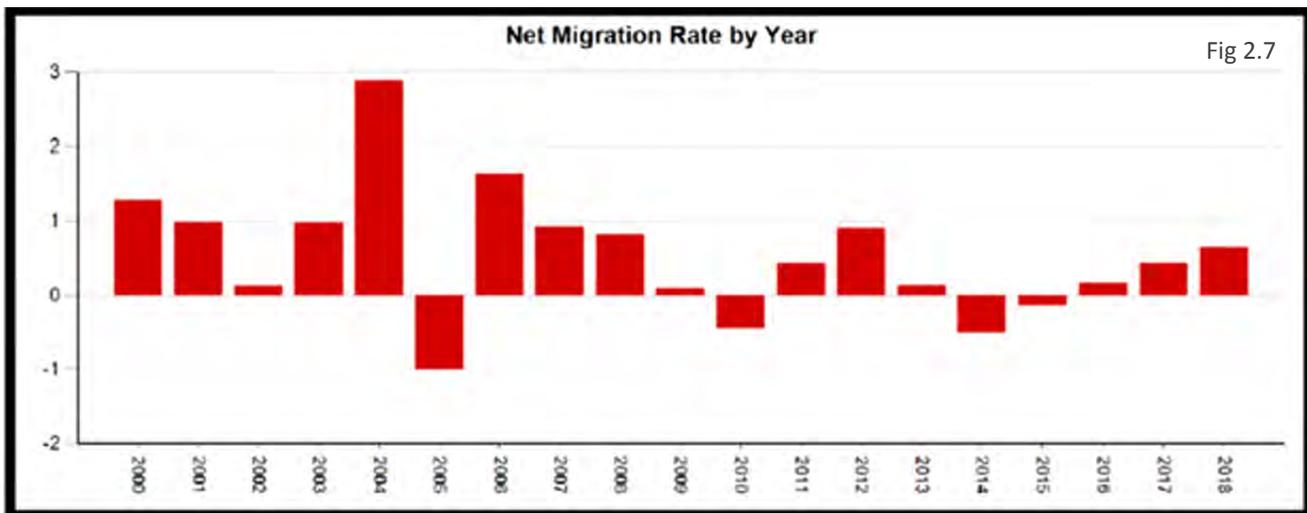
Demographic Trends Fig. 2.5

	2010C	2015E	2020P
Population	116,714	123,084	129,556
Ann Chg	1.50%	1.09%	1.05%
Households	45,414	46,995	49,667
Ann Chg	1.44%	0.70%	1.14%

Population Fig 2.6



The findings of the overall market snapshot also revealed a number of local trends. According to the data in Fig. 2.6, population is still increasing, however it is at a decreasing rate (1.05% in 2020 versus 1.09% in 2015); therefore population growth appears to be leveling. The major influence on this population leveling appears to be the outmigration trend Athens experienced in 2014 and 2015. The outmigration is typically representative of the younger population because they have more mobility to move and settle elsewhere. The Baby Boomers of Athens will increase as the current demographics get older, and this will give rise to the demand for multifamily homes, which explains the higher number of projected households in 2020.



According to Neilson-Claritas and the US Census Bureau, 64.7% of Athens households earn less than \$50,000, and 14% earn between \$50,000 and \$75,000. The median household income is \$33,060, which is 33 % lower than the statewide number of \$49,179. Athens has a homeownership rate of 43. 9%, which is low for an urban area. Due to the income situation and presence of poverty, it is not surprising that Athens has a low rate, and much lower home ownership rate than the rest of Georgia at 65.1%. The local median home value is \$156,600, which is higher than the rest of the state at \$151,300. The poverty rate is also higher, with 36.7% of the county being at or below the poverty level compared with 18.2% in Georgia.

The Georgia Department of Labor data had revealing information in terms of understanding how educated the workforce is. According to their data, only 13% of the population in Athens has a four-year college degree, and only 29% has a high school diploma. Of adults aged 25 and over, 17.4% have never graduated from high school; this helps explain why income is low and poverty is high. In spite of these data facts, the unemployment rate is around 6.4%, and when compared to state and national unemployment numbers, this is a positive statistic. These small amounts of data indicate Athens is experiencing something that the whole country has been facing in recent times: income inequality. It has seen solid job growth, but no advancement in income. There are small numbers of individuals earning more, while simultaneously the people at the bottom are being left behind. This is being clearly evidenced by the challenges the workforce is having with housing in the county.

According to building permit data provided by the US Census Bureau, there is much more multifamily development than single family development in Athens. From the data, it is derived that the total of all permits for a 12-month period ending in May 2015 is 526; an increase of 133.8%. Although the Annual Permit activity has increased, the SF's portion of that is only 80, representing a decrease of 26.6%. Multifamily is the dominant driver of new development in Athens.

Fig 2.8

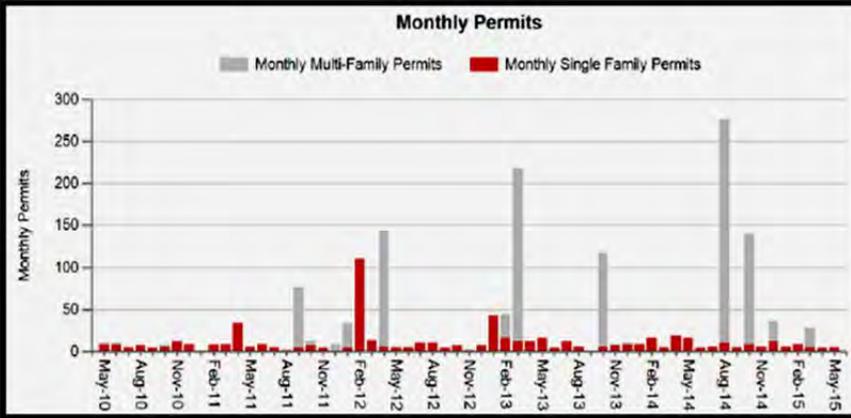
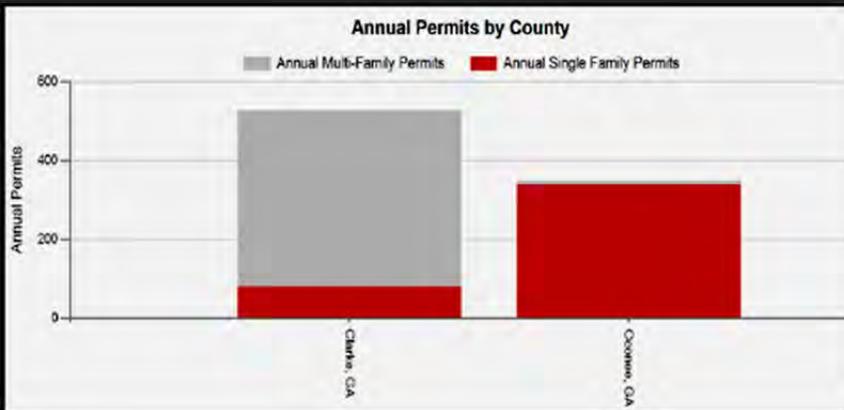


Fig 2.9



During this 12-month period, the MF portion is 446 — an increase of 284.5%. For reference, figure 2.8 on the left shows monthly permit activity in Athens for the last 5 years. Single-family development activity has been repressed for some time. By comparison, the majority of development in the surrounding metropolitan area counties is single family. If neighboring Oconee County permit totals are displayed side-by-side, Oconee is developing single-family homes at a ratio of 4:1. This may be attributed by the demand to leave Clarke County and seek options elsewhere as a result of the lack of single-family housing options in Athens-Clarke County.

The Oconee comparison underscores the need for attention, however when the trend is explored for the entire region, there is a need for alarm. Table 2.1 below illustrates the amount of units and investment in housing development for the Athens region. In single-family development, Athens-Clarke County is surpassed by all but two neighboring counties: Madison and Oglethorpe - Oglethorpe has been excluded from this data presentation as their reported numbers were significantly smaller. Athens-Clarke only leads in multifamily development, however despite this, Athens-Clarke is behind from a total investment standpoint.

HOUSING UNITS	Athens-Clarke	Barrow	Jackson	Madison	Oconee
Single Family	116	380	455	66	293
Two Family	0	0	0	0	2
Three and Four Family	0	0	0	0	4
Five or More Family	422	64	0	0	0
Total Units	538	538	455	66	299

HOUSING INVESTMENT	Athens-Clarke	Barrow	Jackson	Madison	Oconee
Single Family Investment	\$21,704,050	\$47,806,464	\$95,974,660	\$14,229,217	\$79,542,666
Two Family Investment	0	0	0	0	\$220,000
Three/Four Family Investment	0	0	0	0	\$440,000
Five or More Investment	\$28,823,748	\$6,300,000	\$0	\$0	\$0
Total Investment	\$50,577,799	\$54,106,464	\$95,974,660	\$14,229,217	\$80,202,666

Table 2.1 Housing Units & Investment

Fig 3.1

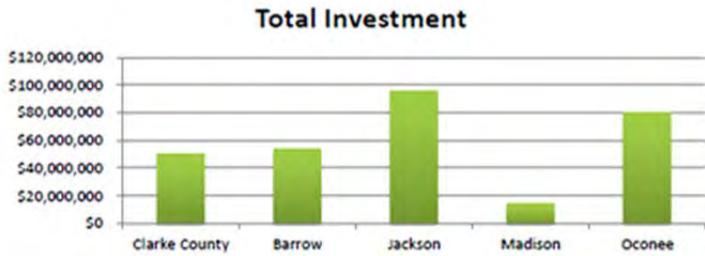
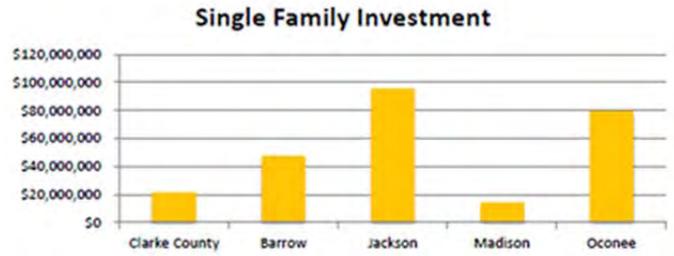


Fig 3.2

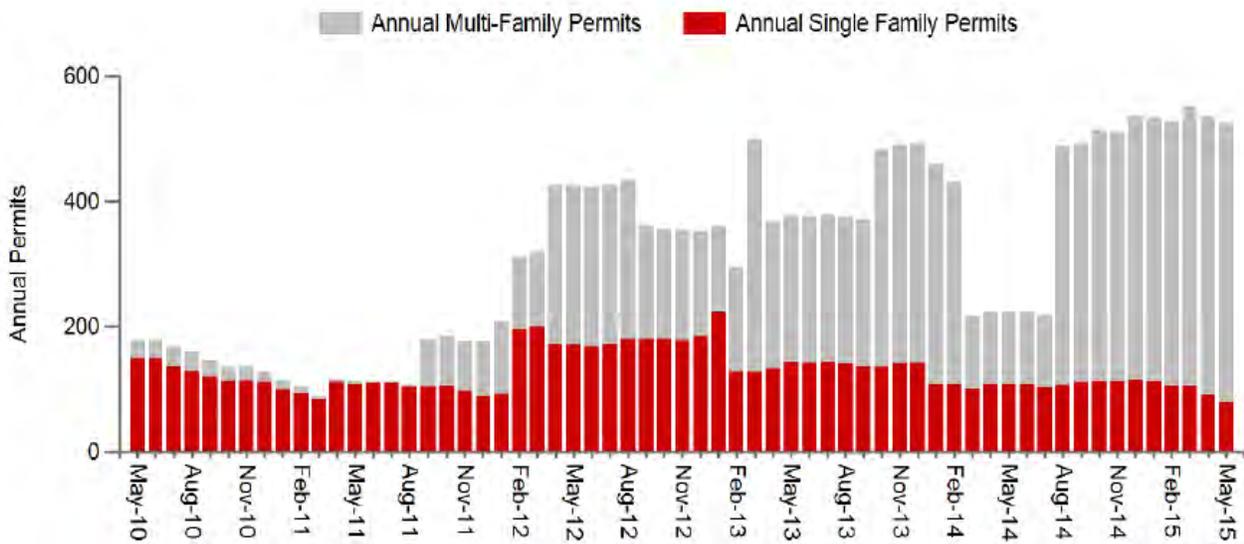


The Role of Multifamily

The multifamily influence on the Athens market is undeniable. Since 2013, Athens has seen a dramatic increase in the number of multifamily developments. The amount of multifamily housing being developed in Athens far out-weighed the number of single family properties being built. In fact, the amount of single family homes being built continues to drop, and has done so over the last three years. In 2013, there were 146 single family permits compared to 116 permits in 2014. The graph below shows how multifamily development has begun to take over the Athens market over the last five years.

Annual Permits

Fig 4.1



Although only six apartment/condo permits have been pulled in 2015 throughout June, they make up 424 units compared to the 22 apartments/condos in 2014 that made up 422 units alone. This could reflect a trend for behemoth apartment buildings, such as Landmark Property's The Mark; a 9-acre mixed-use development in downtown Athens with 928 beds scheduled to open in 2016. Grasping the overall impact is essential, which is why Athens-Clarke County, along with Athens Housing Authority, requested an analysis of the multifamily housing state of affairs. The study was conducted by John Wall & Associates and was completed in the spring of 2015. The study surveyed 13,827 properties, which included 6,188 student properties and 7,639 non-student properties. The student properties surveyed were defined as having student occupancy of 50% and above or a negotiated lease by bedroom versus unit.

Between 2005 and 2015, there were 19 apartment complexes (shown in Fig 4.2) with a total of 2,255 new units built in Athens, according to John Wall's 2015 housing study. Of the 2,255 units built, 67% of those units are considered student apartments. Only three of those 19 complexes built were targeted for working families. Over the last decade, developers have only provided the workforce with 11% of the new units being added to the market. The units broken down are as follows:

- Students: 1,516 Units
- Housing Authority: 370 Units
- Family: 251 Units
- Elderly: 74 Units
- Inc. Info: 44 Units

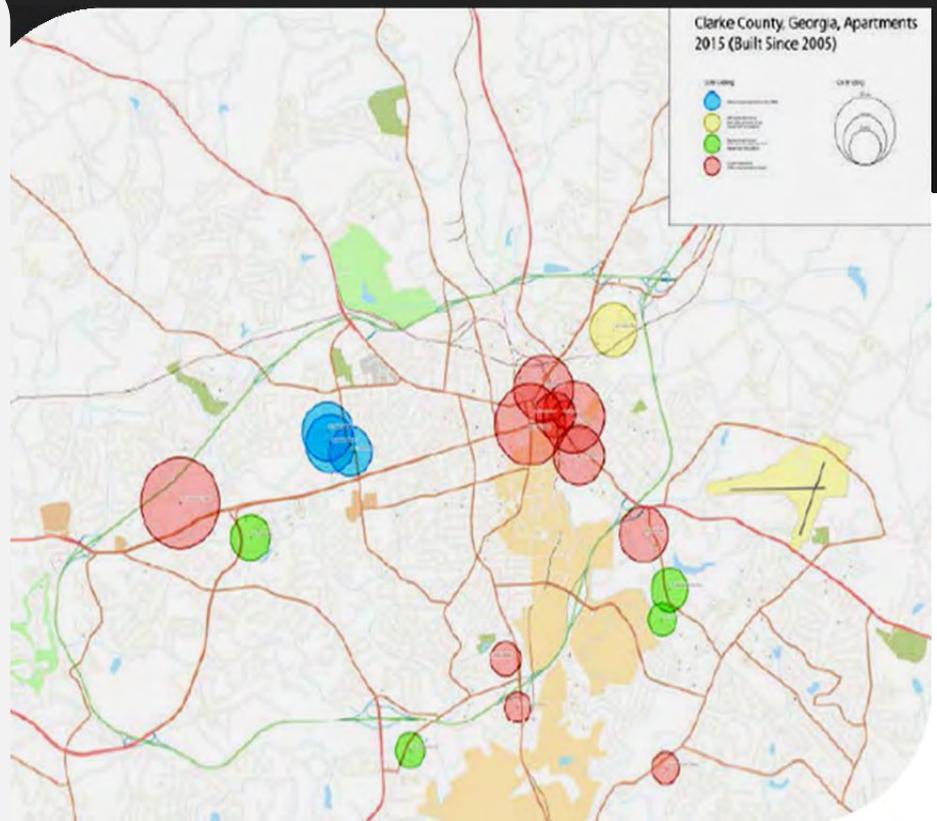


Fig 4.2 John Wall Apartment Study

Investor capital tracks student housing because it produces a higher yield. Many investors and analysts follow university enrollment to determine the strength of the multifamily market in that area. For the last decade, UGA enrollment projections have driven more than 50% of the multifamily market in Athens. A primary reason for this interest is the recognition of the growth of Echo Boomers and Millennials being the largest population generation in US history. According to Multifamily Executive Magazine, college enrollment and bed count nationwide is planned to increase by at least another 10%. This increase in enrollment is driving low vacancy and improved financial returns for the capital markets. The multifamily study found low vacancy rates across the board of the different housing sectors, in particular in the student and elderly housing. The vacancy rates detailed are:

- Family: 3.6%
- Elderly: 0%
- Student Properties (by units): 1.4%
- Student Properties (bedrooms): 0.7%
- Affordable: 3.8%
- Tax Credit Properties: 2.2%

While vacancy rates in these various sectors are generally low, when further analysis was conducted, it was discovered that the vacancy rate for four-bedroom units was significantly higher than for one-bedroom units. The vacancy rate for one-bedroom apartments was 1.4%, while the vacancy rate for four-bedroom apartments was 6.5%. Two-bedroom apartments had a vacancy rate of 3.5%, and three-bedroom apartments had a 2.8% vacancy rate. If family style apartments were segregated, the vacancy for four-bedroom units increased to 7.3%. The high vacancy rate for four-bedroom apartments may be due to the fact that the county's average household size is 2.35, while the average family size is 2.95, which indicates a lack of demand for such units. Specific monitoring of the four-bedroom inventory may be required because those that exist in older complexes have higher than average vacancy. This abandonment of these older four-bedroom units appears to be driven by the movement of students toward newer or renovated developments that are located closer to campus.



The study examined the shift in the percent of students in many properties between 2005 and 2015. The top three properties that saw an increase in the amount of student residents were all renovated within the last 5 years, were located less than 1.5 miles from UGA, and were smaller sized apartments, typically one or two bedrooms. The three properties that showed the greatest decrease in student populations were all located more than three miles from the UGA campus, didn't offer studio or one-bedroom options (mostly two-, three-, or four-bedroom apartments), and were all built prior to 2000. Only one property offered any amenities, and all of the properties increased their rent rate for their two-bedroom apartments.

Downtown Athens has seen a boom in student housing with new apartments, such as The Flats at Carrs Hill, 909 Broad, Eclipse, The Standard, and Georgia Heights. These complexes alone add around 1,700 beds of student housing to the downtown area. A 210-bedroom student apartment complex is also in construction downtown by Chicago-based CA Ventures Student Living. There will be more than 2,500 student beds downtown once the current sets of projects are completed (onlineathens.com, June 20, 2015, Drifting Dollars: Student housing boom changing face of downtown Athens).

With this dramatic increase in new student housing developments, local leaders are concerned about what will happen to the older apartment complexes. The good news is that low student vacancy rates indicate that students are currently able to absorb the available units on the market today. Anticipated national growth in student enrollment is also a good sign. University of Georgia has seen a steady increase in enrollment since the turn of the millennium, albeit modest. According the UGA website, in fall 2014, overall enrollment at UGA was up 1.9% to a record 35,197 students. Over the 10-year period from 2001 to 2011, UGA enrollment grew by 7.7%.

Concerning student occupancy in older apartment units, there are several older properties that have seen an increase in student residents between 2005 and 2015, according to the John Wall study. The largest increase in student population was The Archer on North (built 1980, 2012 rehab) at an eighty percent increase; 421 West (built prior to 2000, 2015 rehab) with a forty percent increase; and Athens Highland (built 1970's, 2013 rehab) with a thirty-five percent increase. Each of these properties were all renovated within the last five years, were located less than one-and-a-half miles from UGA, and were smaller sized apartments with typically one or two bedrooms.



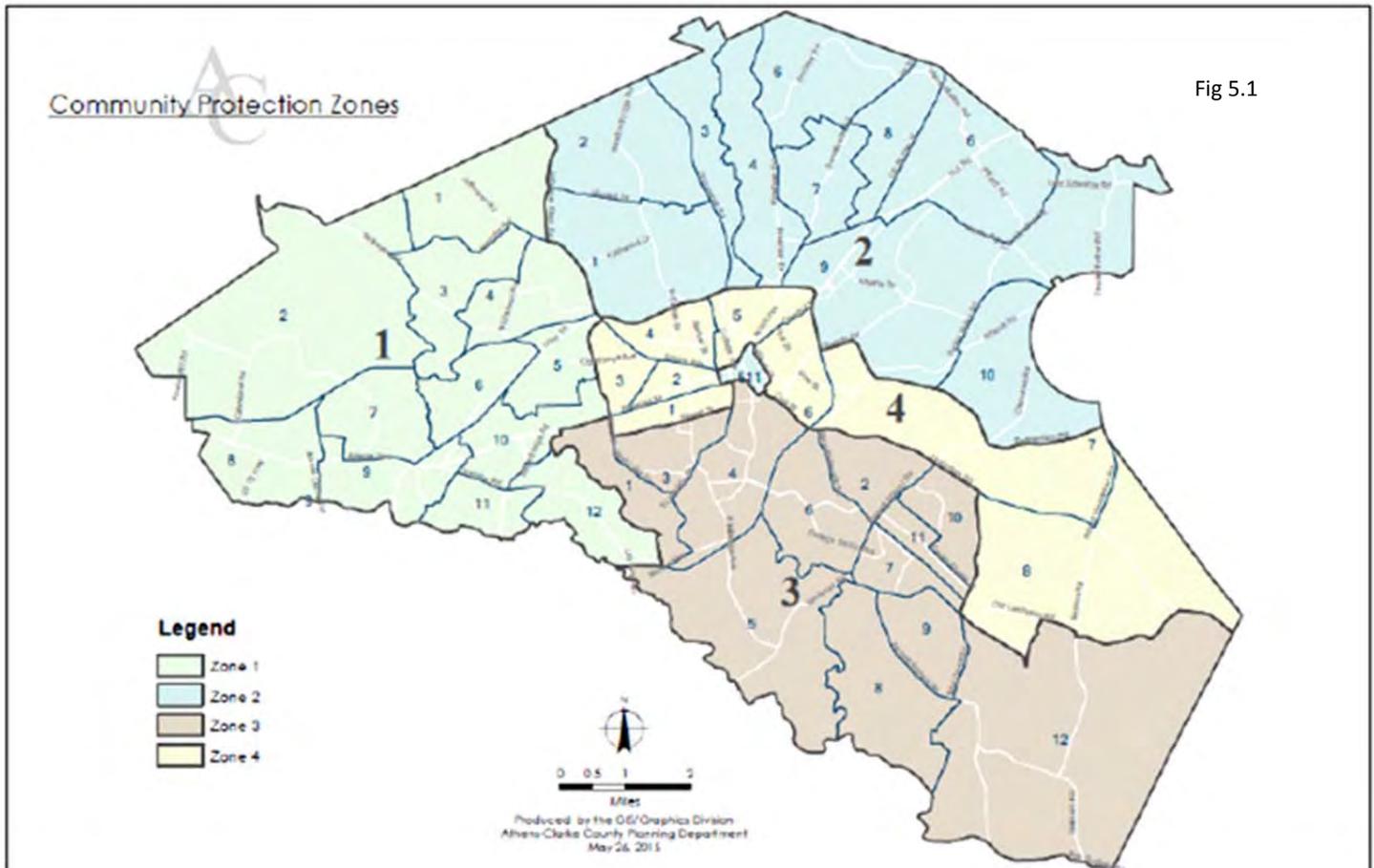
The three properties that showed the greatest decrease in student populations were Willow Mist (built 1982) with an 88% decrease; Cabin Lake Estates (built prior to 2000) with an 85% decrease; and Hidden Pines Duplex (built 1980's) with a 50% decrease. All of these properties are located more than three miles from UGA campus, do not offer studio or one- bedroom options (mostly two-, three-, or four-bedroom apartments), and were all built prior to 2000 with no renovations. Only one of these properties offered any amenities and all of the properties increased their rental rate for their two-bedroom apartments. Although the above apartments showed a significant decrease in their student population, none of them were on John Wall's list of properties with extreme vacancy. All of their blended vacancy rates remain below five percent.

Older properties that are close to campus and have gone through renovations have seen an increase in student lease-up. This shows that rehabilitating properties could be another viable solution to keep older properties from a cycle of deterioration. There is also evidence that capital is available for the older complexes near the UGA campus for renovation.

The glaring concern is that there is no concerted effort to provide additional public or private sector housing solutions for the workforce. The only multifamily segment that is neglected more is the senior housing sector. The zero percent vacancy rate for elderly housing seems to indicate that there is a need for more senior housing. It should be noted that senior housing is not a part of the scope of this project. Rental housing for working families could possibly be a solution for what happens to the older complexes should students abandon them for newer developments.

Neighborhood Conditions and Zone Profiles

In an attempt to understand the community environment, the consultant team began to look at the neighborhoods. The project Governance Committee decided to use the Athens-Clarke County Unified Government Community Protection Zones (CPZ) as the basis for neighborhood assessment. The CPZ breaks down the jurisdiction into 42 distinct neighborhood areas, divided into four aggregating zones. Figure 5.1 below provides an overview.



As a part of the neighborhood evaluation task, the consultant team conducted in-person assessments. There were three assessment groups assembled, including a member of the ACCUG and APDS staff. Surveyors were sent out across the city in pairs, with each team made up of a driver and a data collector. Surveyors mapped out flexible routes before venturing out to conduct the surveys, and while in the field they entered their observations on a pre-designed survey form. Each of the 42 neighborhood areas were visually inspected via a windshield survey approach, which relies on observations for data instead of directing specific questions to participants. A windshield survey is aptly named because most of the task is completed while the surveyors sit in a car and look through the windshield. For the purposes of the ACC Neighborhood Assessment, the teams made "first-impression" observations. The responses captured should reflect what a family or investor perceives during an initial drive through of the neighborhood. The types of things observed during the Athens neighborhood assessment process were:

1. **Housing.** What is the age and condition of the housing? Are houses and apartment buildings in need of repair? Are yards neat or overgrown? Are there visible code violations?
2. **Real estate market.** Are there signs of vacancy and foreclosure?
3. **Other buildings.** Are the buildings mostly or fully occupied?
4. **Public spaces.** Are there public spaces where people can gather? Are they well-kept?
5. **Parks.** Are parks used by a variety of people? Are there sports facilities, etcetera?
6. **Culture and entertainment.** Are there museums, libraries, theaters, clubs, historic sites, etcetera?
7. **Streetscape.** Are there trees and/or plants? Are there sidewalks? Are building facades and storefronts attractive and welcoming? Are the streets and sidewalks relatively clean?
8. **Street use.** Are there people on the streets? Do they interact with one another?
9. **Commercial activity.** What kinds of businesses are there? Are there boarded-up or vacant storefronts? Is there a mix of large and small businesses?
10. **Signs.** Are traffic signs informative? Do signs direct people to various parts of the neighborhood?
11. **Land use.** How much open space is there? How are residential, commercial, and industrial areas distributed? Do major roads or railroad tracks divide neighborhoods?
12. **Infrastructure.** What is the condition of roads, bridges, sidewalks, etcetera?
13. **Public transportation.** Is there a functioning public transportation system? Is it well used?
14. **Traffic.** How heavy is traffic in the community? Is it mostly residential, commercial, and industrial?
15. **Race/ethnicity.** Who lives in the community? Are there identifiable racial and ethnic groups?
16. **Faith communities.** What kinds of religious institutions are there?
17. **Health services.** How many hospitals and clinics are there in the neighborhood?
18. **Community and public services.** Are there identifiable community service providers and organizations in the community? Are they concentrated in a particular area?
19. **Community safety.** Where are police and fire stations located? Are they in good repair?
20. **Public schools.** Are schools in different neighborhoods in noticeably different states of repair?
21. **The “feel” of the community.** What is your overall impression of the community? (1-5 rating)



Evaluation criteria used in the windshield survey was based on the above twenty-one filters. Table 3.1 provides an outline of the form used to conduct the windshield survey.



ATHENS-CLARKE COUNTY NEIGHBORHOOD ASSESSMENT

Neighborhood Name:											
Observable Status:	1 CHOICE		2 ROBUST		3 STABLE		4 TRANSITIONING		5 DISTRESSED		
Neighborhood Name Displayed?	YES							NO			
Visible Gateway?	YES							NO			
Identity of Neighborhood?	YES							NO			
Accessible?	TRANSIT		CARS		BIKE		PEDESTRIAN				
Perception of Safety?	1 GOOD			2 FAIR				3 POOR			
Types of Amenities:	Grocery	Coffee shop	Parks	Banks	Schools	Library	Entertainment/Bar Restaurants				
Retail?	YES							NO			
Retail Type?	Big Box		National Tenant				Local-Regional		Neighborhood-Entrepreneur		
GENERAL COMMENTS?											

Table 3.1 – Windshield Survey Evaluation Criteria

Windshield Assessment

The approach described above provides stakeholders a simplified way to understand the current status of these communities and how they are excelling or facing challenges. This can also be seen as a competitive assessment of the future viability of different neighborhoods. Field surveyors were instructed to evaluate the chosen area based on aesthetic qualities and to conclude the assessment with an overall rating using the following categories: Choice, Robust, Stable, Transitional, and Distressed.

Fig 6.1

Choice

Neighborhoods most competitive locally and regionally and represent a desired location for families and business with strong rankings in multiple indicators.

Robust

Attractive neighborhoods with strong housing demand, in good condition and a balanced assessment across indicators.

Stable

Neighborhoods with many positives but experiencing some turbulence in ranking across various indicators. Possibly experiencing signs of new investment or the first signs of decline.

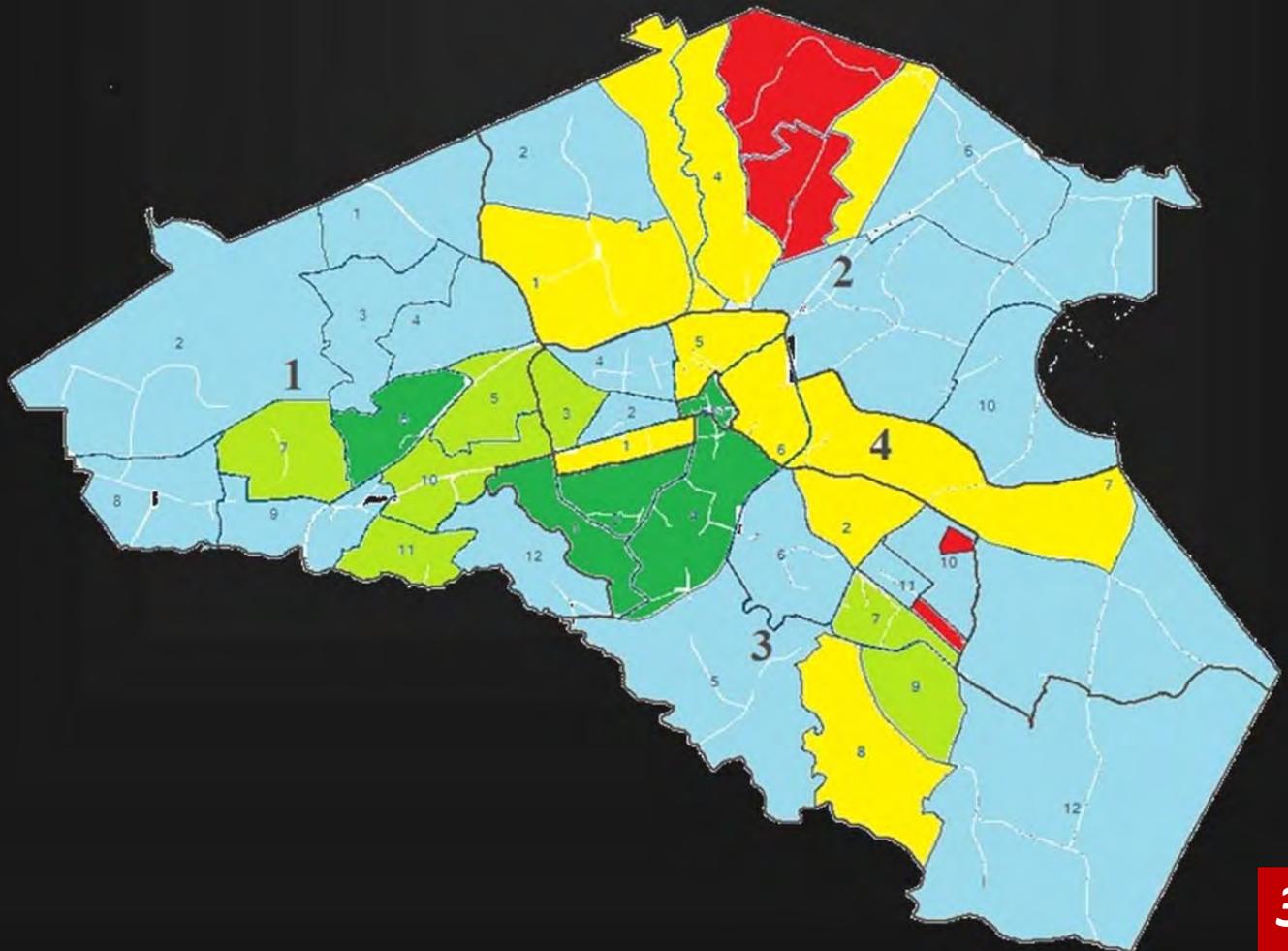
Transitional

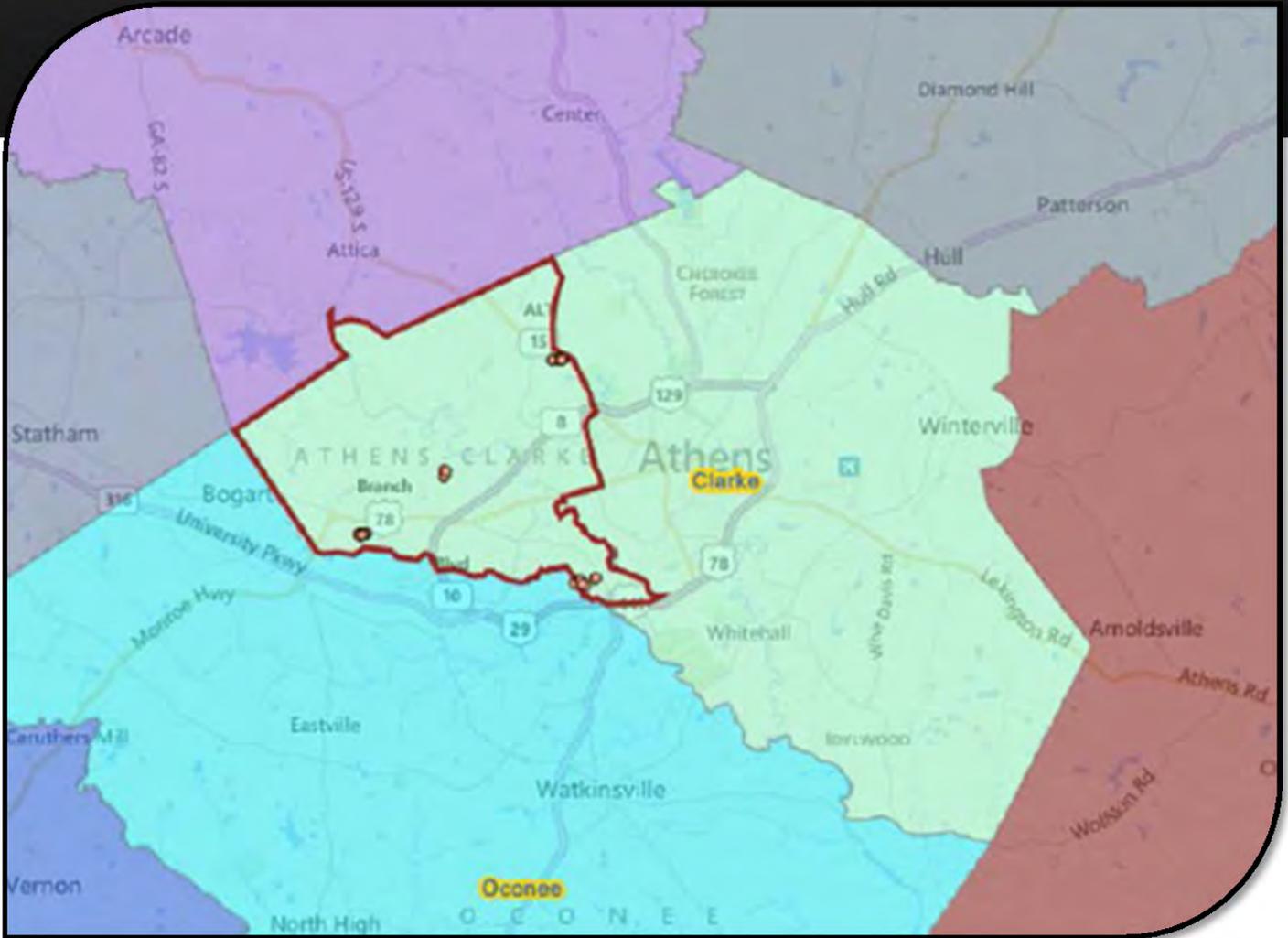
Neighborhoods that are susceptible to exposure to a variety of factors that threaten the vitality of the area and its residents.

Distressed

Neighborhoods that have experienced decline among multiple indicators for some time. These areas represent entrenched economic, physical, and social issues.

Fig 6.2





The Zone 1 assessment area is the portion of the county to the west. The population in this area is estimated to be 29,505. This is a result of growth of 5.9% between 2010 and 2015. Over the next five years, the population is projected to grow by 7.3%. The current year median age for this area is 33.9, while the average age is 37. Five years from now, the median age is projected to be 35.6. Of this area's current year, the estimated population makeup:

- 59.5% White
- 28.4% Black or African American
- 0.2% American Indian and Alaskan
- 3.8% Asian
- 0.1% Native Hawaiian and Other Pacific Islander
- 5.5% Some Other Race
- 2.3% Two or More Races
- 11.7% Hispanic or Latino

The number of households in this area is estimated to be 12,195 for 2015, reflecting an increase of 5.2% between 2010 and the current year. Over the next five years, the number of households is projected to increase by 7.2%, while the average household income is estimated to be \$70,348, which is projected to change over the next five years to \$72,606. For this area, 90.6% of the labor force is estimated to be employed. The employment status of the Zone 1 population age 16 and over is as follows:



- 0.5% in the Armed Forces
- 59.1% employed civilians
- 6.1% unemployed civilians
- 34.3% not in the labor force

The occupational classifications for Zone 1 are as follows:

- 14.1% hold blue collar occupations
- 66.2% hold white collar occupations
- 19.7% are occupied as service and farm workers

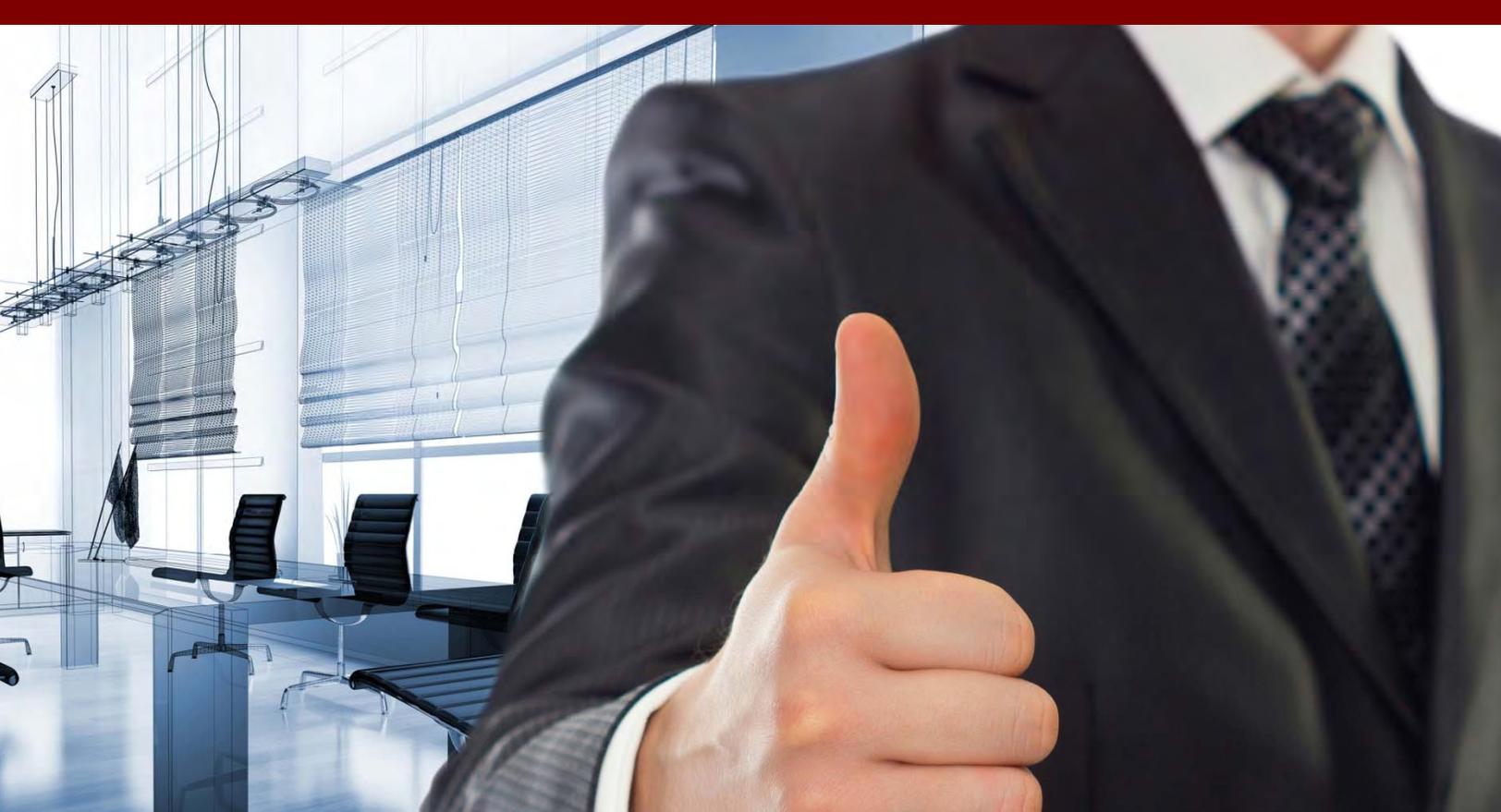
Currently, it is estimated that 12.7% of the population aged 25 and over in this area had earned a master's degree; 4.5% had earned a professional school degree; 5.6% had earned a doctorate; and 21.0% had earned a bachelor's degree. Most of the dwellings in this area (53.1%) are estimated to be owner-occupied, while 56.1% of dwellings are estimated to be detached one-unit structures. The majority of housing units in this area (25.6%) are estimated to have been built between 2000 and 2009.

Zone 1 has the second largest population of any zone in the county. It has had steady growth, however it is projected to lead growth in the city over the next five years; the oldest residents live in this area. Zone 1 has the highest household incomes, the highest percentage of military service, and the lowest unemployment. Comparing all the zones, this area has the highest % age of white collar jobs, and of 22 categories, the three largest job sectors are:

- Education and training
- Office and administrative
- Sales

The zone is very well educated, with the second largest percentage of education attained. It also has strong homeownership, with more than half the units being single-family detached. It is the youngest housing stock in the city, with 25% of units built since 2000





The occupational classifications for this area are:

- 31.6% hold blue collar occupations
- 40.6% hold white collar occupations
- 27.8% are occupied as service & farm workers

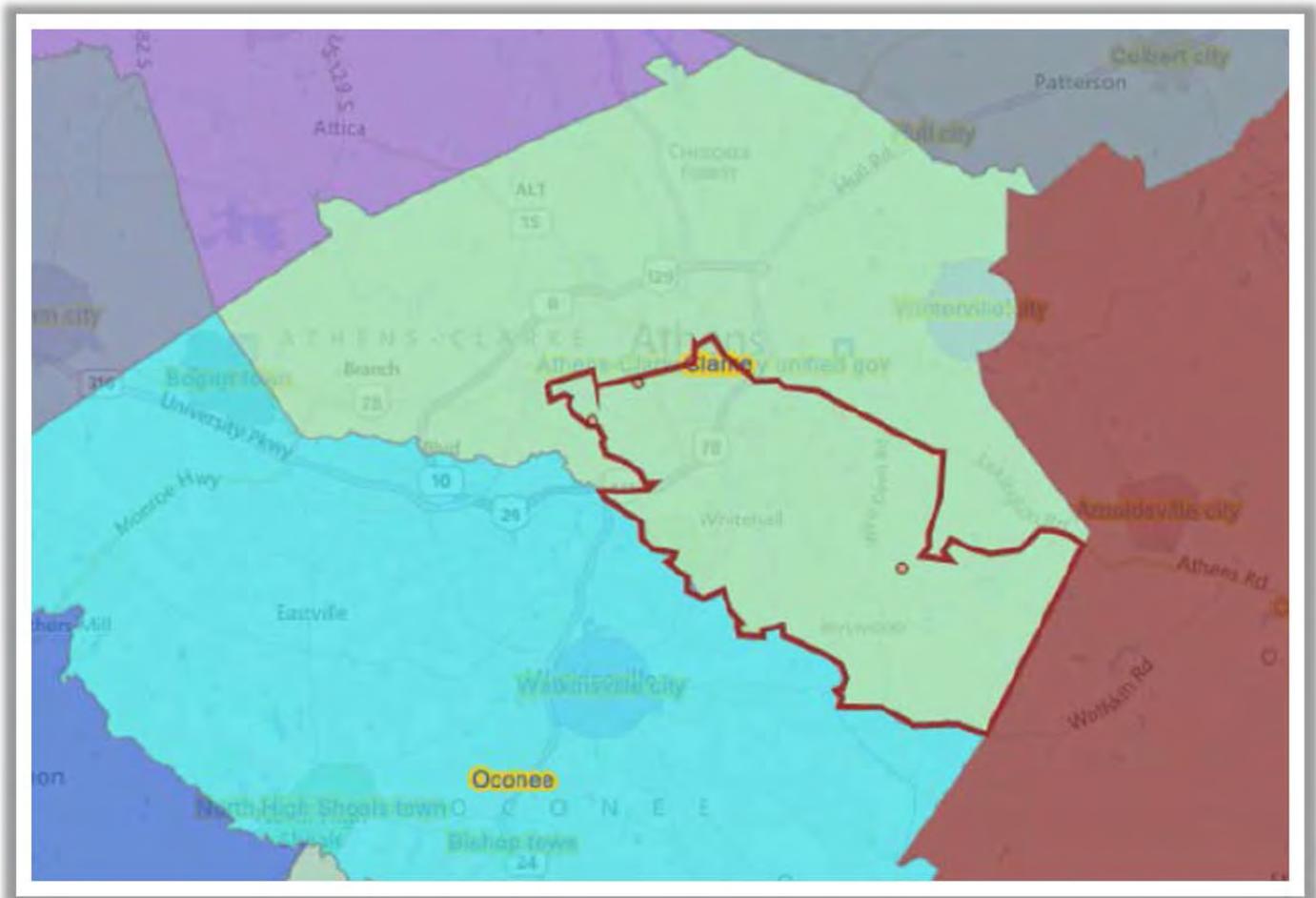
Currently, it is estimated that 5.6% of the population aged 25 and over in this area had earned a master's degree; 0.9% had earned a professional school degree; 1.0% had earned a doctorate; and 11.2% had earned a bachelor's degree. Most of the dwellings in this area (56.6%) are estimated to be owner-occupied for the current year, while 57.3% of dwellings are estimated to be detached one-unit structures. The majority of housing units in this area (24.0%) are estimated to have been built during 1990 to 1999.

Zone 2 has the lowest area population and has had the slowest growth over the last five years however growth is projected to increase between 2015 and 2020. This is the most diverse zone, with the lowest percentage of White population and the largest percentage of Black, American Indian, and Latino. Zone 2 also has the largest percentage of other races.

This area has the smallest number of households and the least amount of projected household growth. Zone 2 has the highest percentage of unemployment, the largest percentage of blue collar and service/farm workers, and the least percentage of white collar occupations. Of the 22 occupation categories, the top three areas are:

- Office and administrative
- Building and ground maintenance
- Production

Zone 2 residents have the lowest percentage of advance degrees in every category, however conversely the area has the highest percentage of owner-occupancy. This zone also has the highest percentage of single-family detached dwellings, and has an older housing stock with the largest percentage of housing units being built in the 1990s.



The Zone 3 assessment area is the eastern portion of the county. The population in this area is estimated to be 51,136, resulting from a growth of 6.6 % between 2010 and 2015; the population is projected to grow by 4.3% by 2020. The current median age for this area is 23.8, and is projected to be 24.4 by 2020. The average age is 30.4. This is the area's estimated population in 2015:

- 72.2% White
- 16.1% Black or African American
- 0.2% American Indian and Alaska Native
- 7.1% Asian
- 0.1% Native Hawaiian and Other Pacific Islander
- 2.0% Some Other Race
- 5.1% Hispanic or Latino population

The number of households in this area is estimated to be 18,777, reflecting an increase of 2.9% between 2010 and 2015. Over the next five years, the number of households is projected to increase by 5.2%. The average household income is estimated to be \$51,228 and is projected to change over the next five years to \$53,254. For this area, 91.7% of the labor force is estimated to be employed; the employment status of the Zone 3 population age 16 and over is as follows:

- 0.2% in the Armed Forces
- 47.8% employed civilians
- 4.3% unemployed civilians
- 47.6% not in the labor force



The occupational classifications for Zone 3 are:

- 11.4% hold blue collar occupations
- 65.3% hold white collar occupations
- 23.3% are occupied as service and farm workers

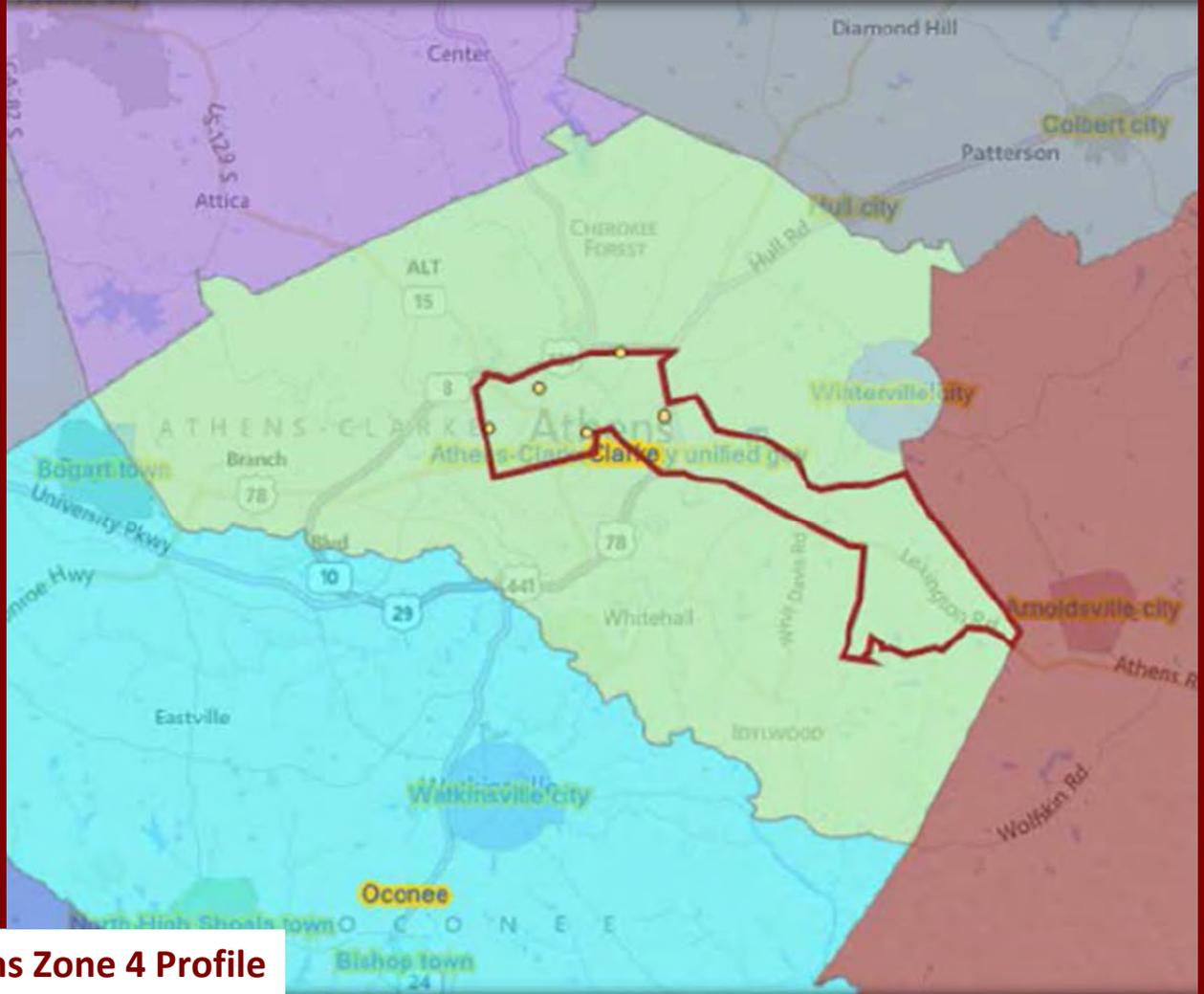
It is estimated in 2015 that 15.8% of the population aged 25 and over in this area had earned a master's degree; 3.7% had earned a professional school degree; 8.1% had earned a doctorate; and 25.7 % had earned a bachelor's degree. Most of the dwellings in this area (63.6%) are estimated to be renter-occupied in 2015, while 39.4% of dwellings are estimated to be detached one-unit structures. The majority of housing units in this area (22.4%) are estimated to have been built between 1990 and 1999.

Zone 3 has the largest population of any zone in the county, and has experienced the largest growth in population since 2010. Unfortunately, that rate of growth is expected to slow over the next five years, shifting Zone 3 into the slowest growth of any zone during this time period. This zone also has the youngest median and average age, which is likely influenced by the presence of the University of Georgia.

Zone 3 has the largest percentage of White population and the lowest Black population percentage of the four zones. There is a presence of a diverse mix and it also has the largest percentage of Asians. The largest number of households exists in this area, as well as the greatest aggregate buying power. The lowest percentage of blue collar workers lives in Zone 3, and of 22 categories, the three largest job sectors are:

- Education and training
- Food preparation and serving
- Sales

From an educational achievement standpoint, this zone has the highest percentage of persons over 25 with bachelors, masters, and doctorate degrees. Despite having the largest number of housing units, this is predominately a renter community, with only 36.40% of the housing units being owner-occupied. For the units that are owner-occupied, Zone 3 boasts the highest median home value but the lowest percentage of single-unit detached properties.



Athens Zone 4 Profile

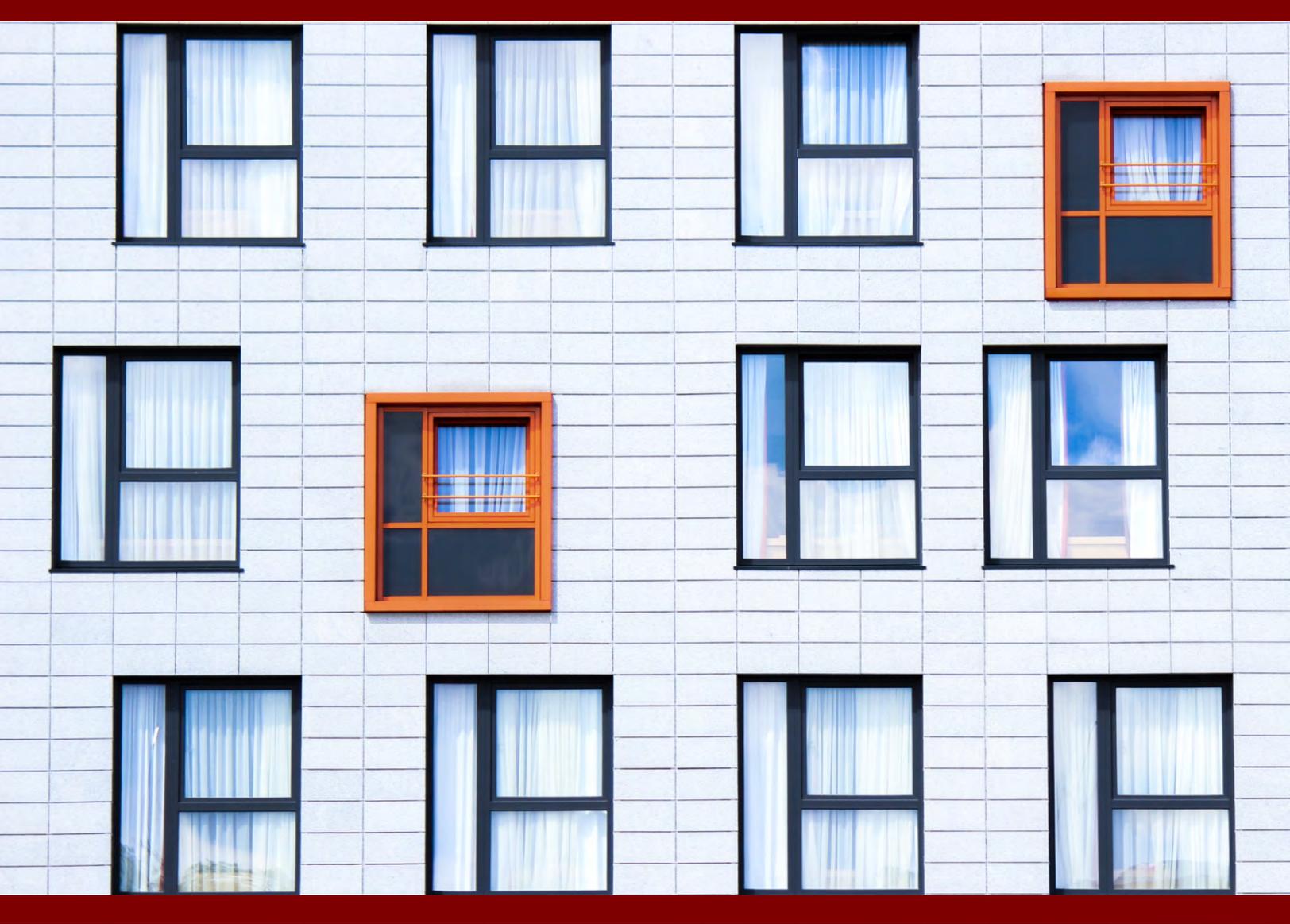
Fig 7.4

Zone 4 is the area of the county that could be considered Central and Central East. The population in this area is estimated to be 24,269; this is the result of a growth of approximately 4.6% between 2010 and 2015. Over the next five years, the population is projected to grow by 5.2%. The 2015 median age for this area is 26.9, while the average age is 32.7. The median age is projected to be 28.6 by 2020. The 2015 estimated population is as follows:

- 57.1% White
- 35.7% Black or African American
- 0.1% American. Indian and Alaska Native
- 2.0% Asian
- 0.1% Native. Hawaiian and Other Pacific Islander
- 2.8% Some Other Race
- 5.8% Hispanic or Latino

The number of households in Zone 4 is estimated to be 10,032. This is the result of an increase of 3.7% between 2010 and 2015 and over the next five years, the number of households is projected to increase by 5.6%. The average household income is estimated to be \$36,964 for 2015, and is projected to change over the next five years to \$37,987. For this area, 88.9% of the labor force is estimated to be employed in 2015. The occupational classifications for this area are:

- 19.7% hold blue collar occupations
- 55.7% hold white collar occupations
- 24.6% are occupied as service & farm workers



The employment status of the population aged 16 and over is:

- 0.4% in the Armed Forces
- 57.4% employed civilians
- 6.2% unemployed civilians
- 36.0% not in the labor force

Currently, it is estimated that 9.2% of the population aged 25 and over in Zone 4 had earned a master's degree; 1.5% had earned a professional school degree; 3.5% had earned a doctorate; and 16.3% had earned a bachelor's degree. In 2015, most of the dwellings in this area (69.8%) are estimated to be renter-occupied, with 44.1% of dwellings estimated to be detached one-unit structures. The majority of housing units in this area (17.3%) are estimated to have been built between 2000 and 2009.

Zone 4 does not show any extreme data difference in any category, primarily in the mid-range of data. This area does not hold the highest or lowest in any category except owner-occupancy; Zone 4 is primarily a rental area, with the least amount of owner occupancy in the city. Of 22 categories, the three largest job sectors are:

- Education and training
- Office and administrative
- Sales

Table 4.1 Athens Zone Comparison Table

	Zone 1	Zone 2	Zone 3	Zone 4
Neighborhood Area Population	29,505	16,953	51,136	24,269
Population Growth Since 2010	5.90%	3.10%	6.60%	4.60%
Projected 5 Year Population Growth	7.30%	4.90%	4.30%	5.20%
Median Age	33.90	31.6	23.8	26.9
Average Age	37	33.4	30.4	32.7
Projected 5 Year Median Age	35.6	33.2	24.4	28.6
White	59.5%	38.10%	72.20%	57.10%
Black	28.4%	40.50%	16.10%	35.70%
American Indian/Alaskan	0.2%	0.60%	0.20%	0.10%
Asian	3.80%	0.00%	7.10%	2.00%
Hispanic or Latino	11.7%	34.40%	5.10%	5.80%
Other Race	2.30%	17.60%	2.00%	2.80%
Number of Households	12,195	5,537	18,777	10,032
Household Growth Since 2010	5.20%	1.60%	2.90%	3.70%
Projected 5 year HH Growth	7.20%	4.40%	5.20%	5.60%
Average Household Income	\$70,348	\$43,380	\$51,228	\$36,964
Projected HH Income 2020	\$72,606	\$44,339	\$53,254	\$37,987
Median Household Income	\$48,726	\$31,517	\$30,103	\$22,188
Projected HH Median 2020	\$49,922	\$31,985	\$31,255	\$22,612
Average Effective Buying Income	\$57,921	\$36,953	\$42,528	\$31,522
Median Effective Buying Income	\$41,549	\$29,818	\$28,243	\$21,546
Aggregate Effective Buying Power	\$706,336,870	\$204,624,377	\$798,546,496	\$316,233,691
Percent of Labor Force Employed	90.60%	86.50%	91.70%	88.90%
Armed Forces (>16 years)	0.50%	0.00%	0.20%	0.40%
Employed Civilians (>16 years)	59.10%	51.60%	47.80%	57.40%
Unemployed Civilians (>16 years)	6.10%	8.10%	4.30%	6.20%
Not in Labor Force	34.30%	40.30%	47.60%	36.00%
Blue Collar Occupations	14.10%	31.60%	11.40%	19.70%
White Collar Occupations	66.20%	40.60%	65.30%	55.70%
Service and Farm Workers	19.70%	27.80%	23.30%	24.60%
Architecture & Engineering	0.90%	0.70%	0.80%	0.60%
Arts, Entertainment & Sports	1.50%	0.70%	2.70%	2.90%
Business and Financial Operations	3.80%	1.00%	2.60%	1.80%
Computers and Mathematics	1.50%	1.30%	1.80%	1.60%
Education, Training, and Libraries	12.00%	4.20%	16.10%	10.70%
Healthcare Practitioners	8.00%	2.70%	4.90%	3.40%
Healthcare Support	2.40%	1.40%	1.90%	3.20%
Life, Physical and Social Sciences	2.00%	1.10%	3.20%	1.70%
Management	8.70%	5.20%	8.20%	7.40%
Office and Administrative Support	11.30%	13.50%	9.50%	12.10%
Community and Social Services	2.30%	1.10%	2.00%	1.50%
Food Preparation and Serving	5.50%	6.10%	9.50%	9.70%
Legal Services	1.70%	0.30%	0.60%	1.20%
Protective Services	2.00%	3.00%	2.00%	1.30%
Sales Related Services	12.70%	8.70%	12.90%	11.00%
Personal Care Services	3.20%	4.00%	3.50%	2.80%
Building and Grounds Maintenance	6.10%	11.30%	5.50%	7.10%
Construction and Extraction	2.10%	3.60%	1.40%	2.30%
Farming, Fishing and Forestry	0.60%	2.10%	0.90%	0.50%
Maintenance and Repair	2.20%	3.10%	1.10%	2.50%
Production	4.40%	14.60%	4.40%	7.30%
Transportation and Moving	5.30%	10.20%	4.50%	7.70%
Some High School - DNG	6.84%	17.38%	5.47%	14.19%
High School Graduate or GED	21.06%	30.43%	17.21%	28.60%
Bachelor's Degree	21.00%	11.20%	25.70%	16.30%
Master's Degree	12.70%	5.60%	15.80%	9.20%
Professional Degree	4.50%	0.90%	3.70%	1.50%
Doctorate Degree	5.60%	1.00%	8.10%	3.50%
Number of Housing Units	13,617	6,237	20,969	11,557
Percent Owner Occupied	53.10%	56.60%	36.40%	30.20%
Median Owner Occupied Home Value	\$175,583	\$117,478	\$178,421	\$145,837
Single-Unit Detached %age	56.10%	57.30%	39.40%	44.10%
Dominant Year Built	(2000-09) 25.60%	(1990-99) 24.00%	(1990-99) 22.40%	(2000-09) 17.30%
Number of Units Built Since 2010	736	127	700	467
% of All Units Built Since 2010	5.41%	2.04%	3.34%	4.04%

Fig 8.1 Athens Jobs by Neighborhood Zone

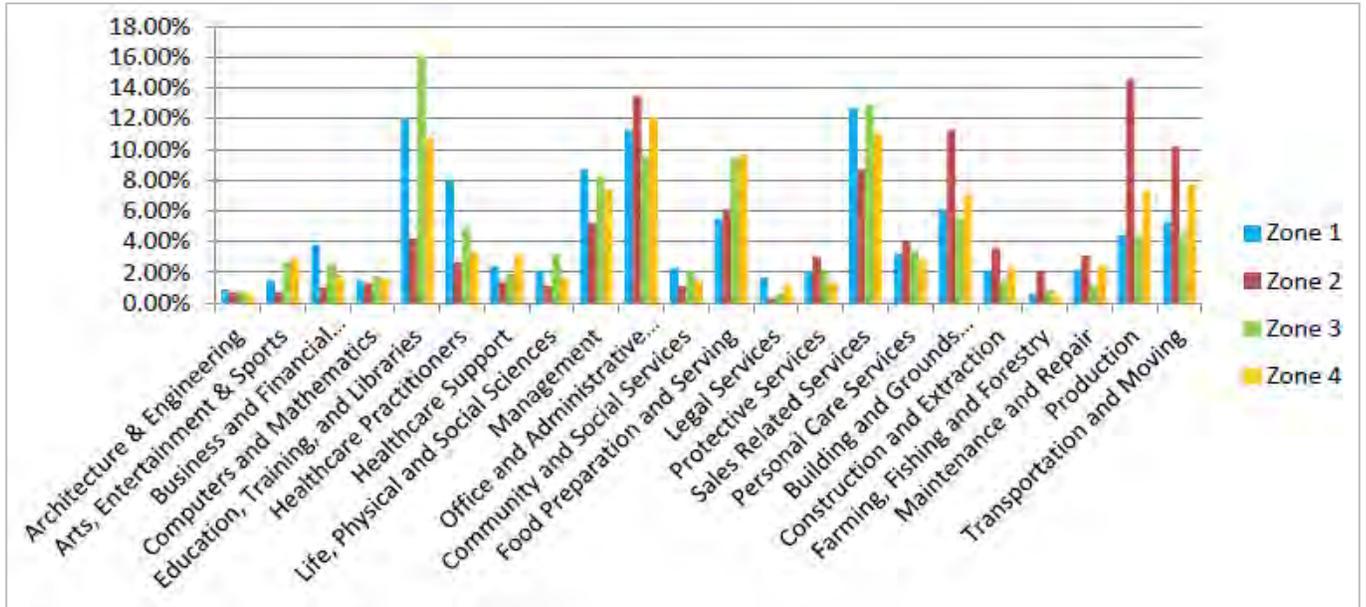


Fig 8.2 Athens Ethnicity by Neighborhood Zone

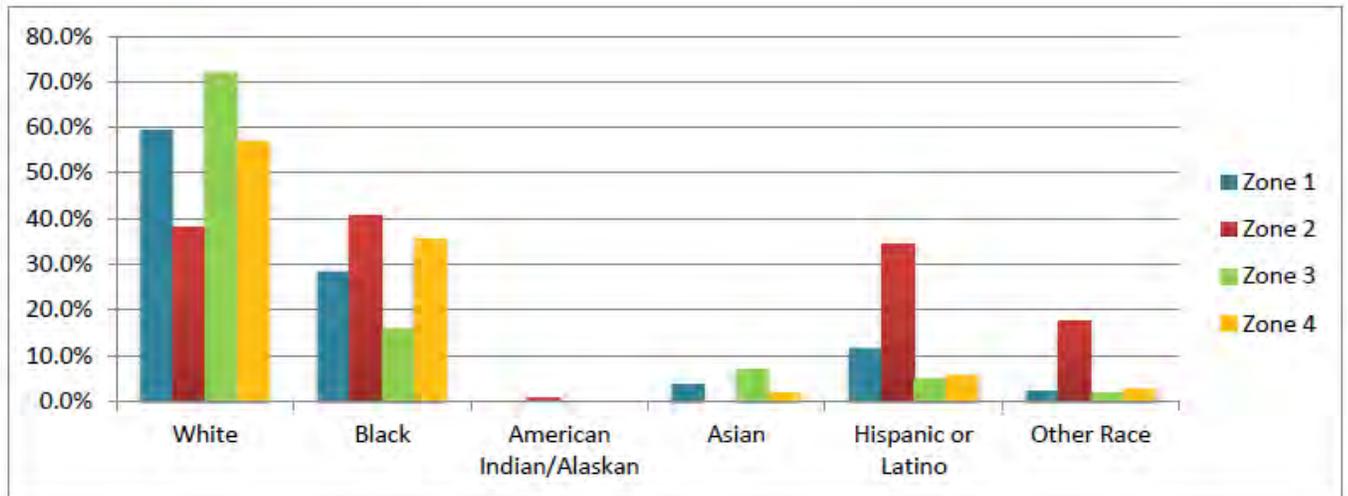
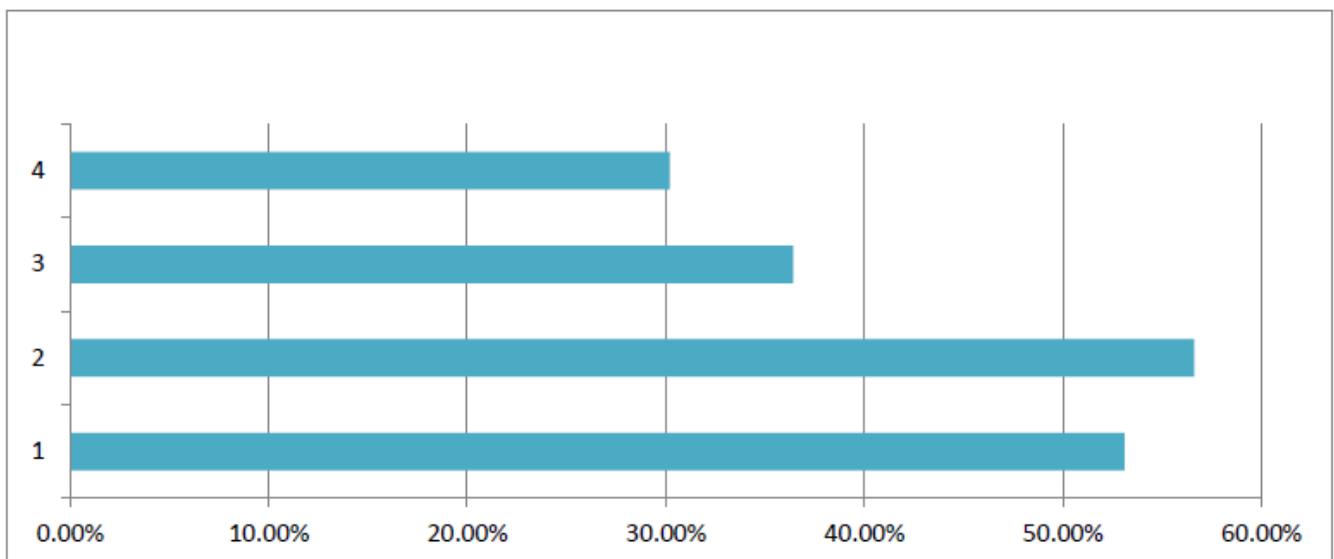


Fig 8.3 Percent Owner Occupied by Neighborhood Zone





Workforce Preferences and Motivations

To ensure the understanding of the market is comprehensive, the needs and preferences of the working families and individuals cannot be ignored. The workers of this community have many opinions, and the consultant team captured them through a direct survey. The target population was the Athens-Clarke County workforce as a whole, and care was taken to ensure strong segmentation of the 120% AMI population.

The stated objective of the survey was to gather a socioeconomic profile of the workforce, identify their housing preferences, ascertain their impressions of the Athens community, and pinpoint any future plans. The Athens workforce has a total population of 53,703 according to the Georgia Department of Labor 2014. Based upon that number, it was determined that a minimum target sample of 594 was needed; however ultimately there were 840 respondents. With this representative sample, the completed confidence level was 95%, with a confidence interval of 3.35%. Responses came from employees from over 100 distinct organizations. There were 30 questions in the survey, which was delivered via a web-based interface starting on June 29, 2015, and concluded on July 15, 2015.

Key findings of the survey responses showed that 73.75% of respondents live and work in Clarke County, and 12.14% of Clarke County workers live in Oconee County. Although ACC has a solid base of employees living within its borders, twelve % of the county’s workers choosing to reside in another county is a high enough number to signal a housing problem — not to mention other small amounts of workers living in other communities.

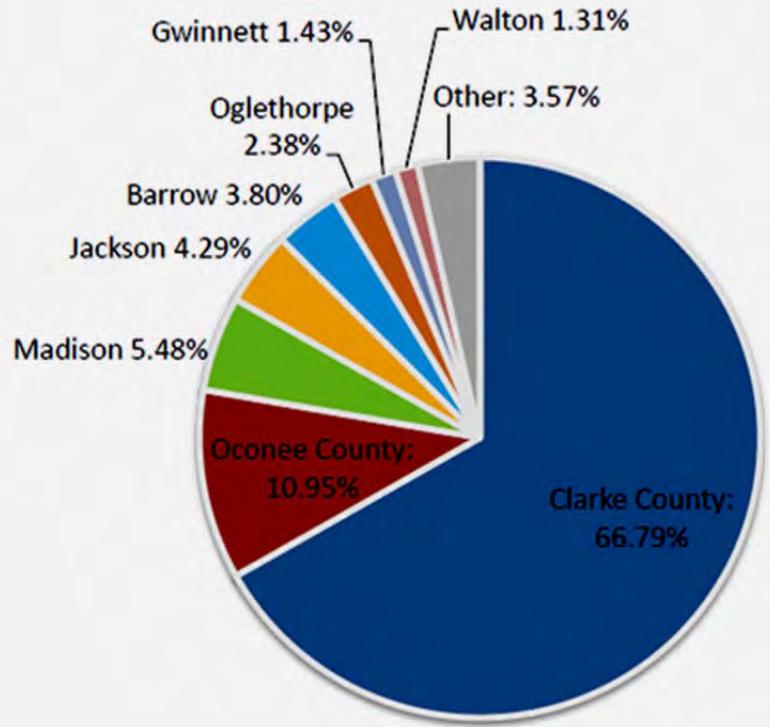


Fig 9.1 County of Residence

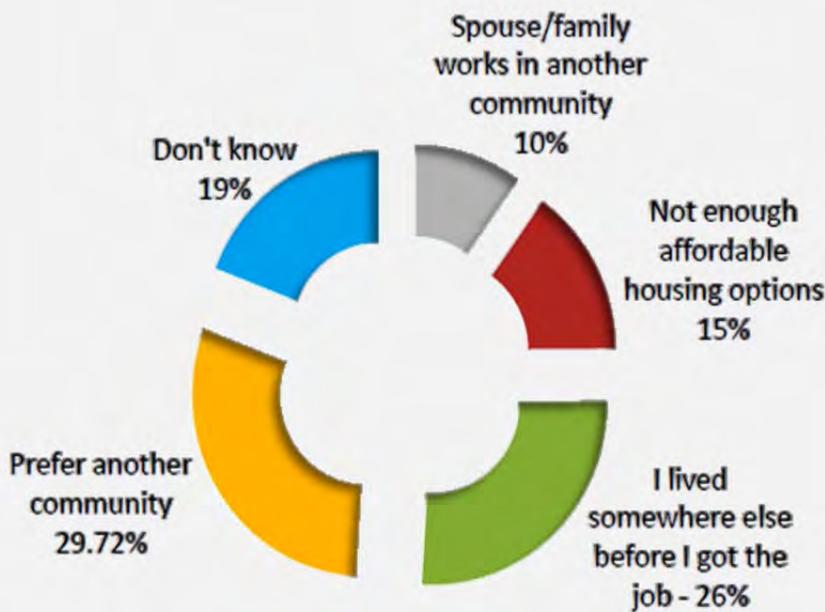


Fig 9.2 Reasons for Workers Choice of

Respondents who do not live in Clarke County were asked the reasons why they chose not to live there. The survey found that some simply prefer another community (29.72%). Others shared that they lived there before they got their current job (25.98%). Almost 15% of respondents also stated that there were no affordable options nearby, whereas 9.84% (said their spouse of family member works elsewhere.

About 80% of the workforce lives in a single-family home and 17% of people live in apartments, condos, townhomes, or duplexes. The remaining 2.42% live in mobile homes.

While seeking to determine the family structure of the workers, it was shown that over half of the households report having no children, while 51.05% of respondents were either couples without children or were adults living alone. Conversely, fewer than 40 % have a child in the household, either as a single parent or as couple. The survey was also able to discern that 57.78 % of households have two working adults. Simultaneously, there are 32.89% of households existing on one income.

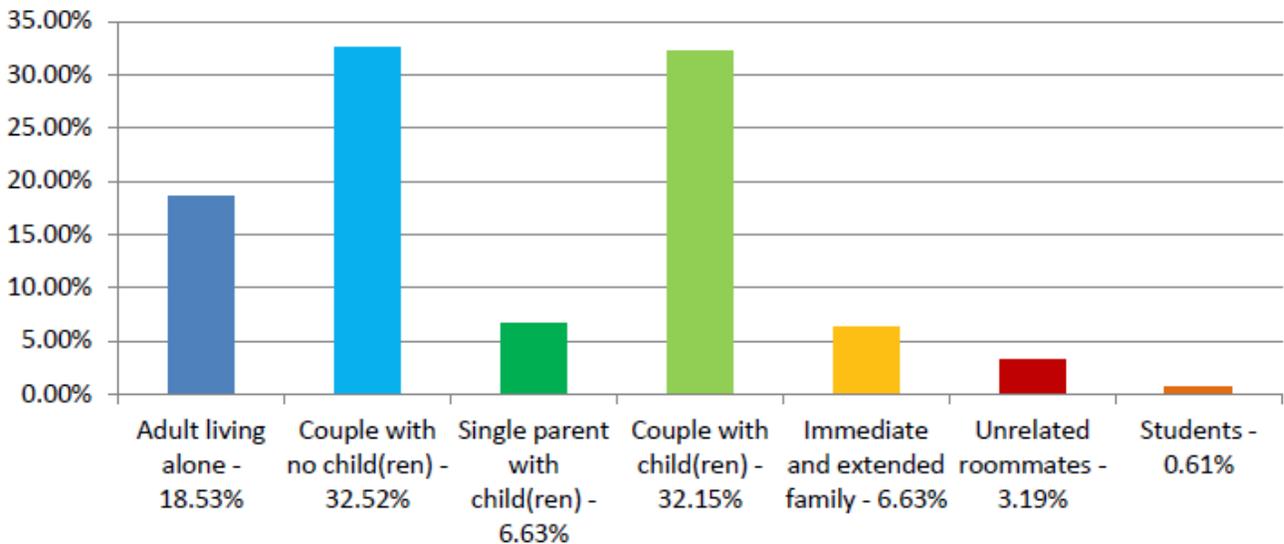


Fig 9.3 Household Make-Up

About 18% of the people surveyed make between \$18,000 and \$35,000; 29% make between \$35,000 and \$50,000; and 23% make between \$50,000 and \$75,000. Therefore, it is evident that Athens has a working age population with good spending ability, although it is slightly lagging behind the rest of Georgia. About 57 % of households have two income earners and roughly 14% of combined households make between \$35,000 and \$50,000; 25% make between \$50,000 and \$75,000; and 21% make between \$75,000 and \$100,000. This shows that a majority of home buyers potentially have more spending power than their individual income would dictate. It is also an indicator that two incomes is a preferred strategy for dealing with financial obligations.

About 36% of people pay less than \$800 on mortgage or rent and 22% of people pay between \$800 and \$1000, which shows that most people prefer modestly-priced houses and prefer value over luxury. Of the survey participants, 41% have lived in their current area for less than 5 years and are relatively new to their area. Simultaneously, there is stability here because approximately 36% of respondents have lived in their current residence for more than 10 years. Further accentuating this dichotomy, about 50% of the people don't plan on moving anytime soon, while the other 50% are in some stage of considering a move within the next two years.

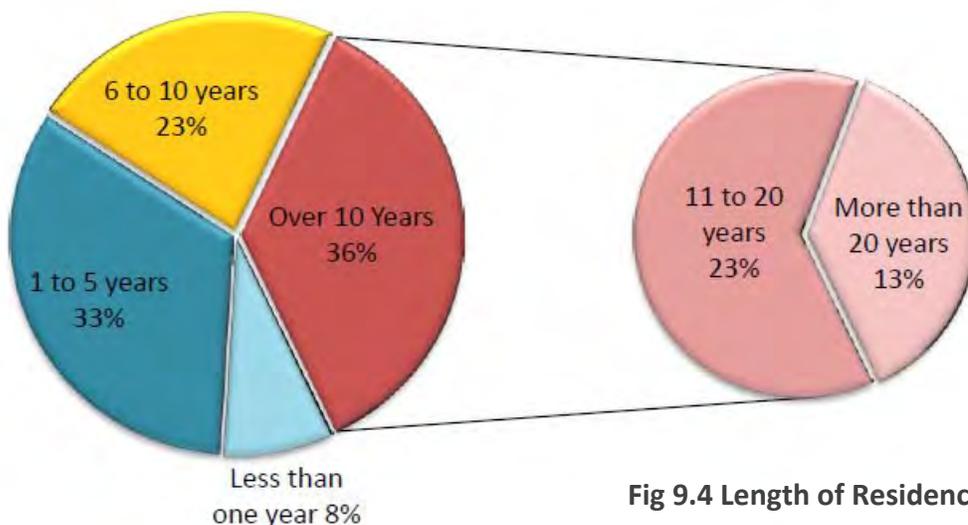


Fig 9.4 Length of Residency

This confirms that there is a big opportunity in the housing market, and also a potential area of concern if large percentages of those workers decide to buy homes outside of Athens-Clarke County.

Of all the people surveyed, 91% drive and most people live about 15 to 30 minutes from their work; and yet 60% of the population consider transportation a problem. Poor transportation options could be a reason for the high %age of drivers. Since there is such a high percentage of drivers, there might be even more outward migration if housing desirability and price do not meet consumer needs. However, if adequate housing is built, inward migration is the more likely scenario given that Athens has had a history of cyclical inward migration. From the market snapshot, we know that unemployment in Athens is relatively low, and although housing permits are being granted generously, most of those permits are for multifamily housing. This is an area of concern; the market forces are there to have a robust housing environment in Athens-Clarke County, however consumer expectations are not being met. Most of the new single-family homes in the area are being built in neighboring counties such as Oconee and Jackson.

According to the responses in the workforce survey, most people tend to own the houses they live in, where around one-third of people rent. Among homeowners, about 40% are currently looking for a new house — this again reconfirms the housing problem and an opportunity in the housing market.

Affordability is at the top of the survey respondents' minds; when asked about their feelings regarding workers in Athens and being able to find housing they could afford, 44.41% indicated that it is the most serious or one of the critical problems the community has.

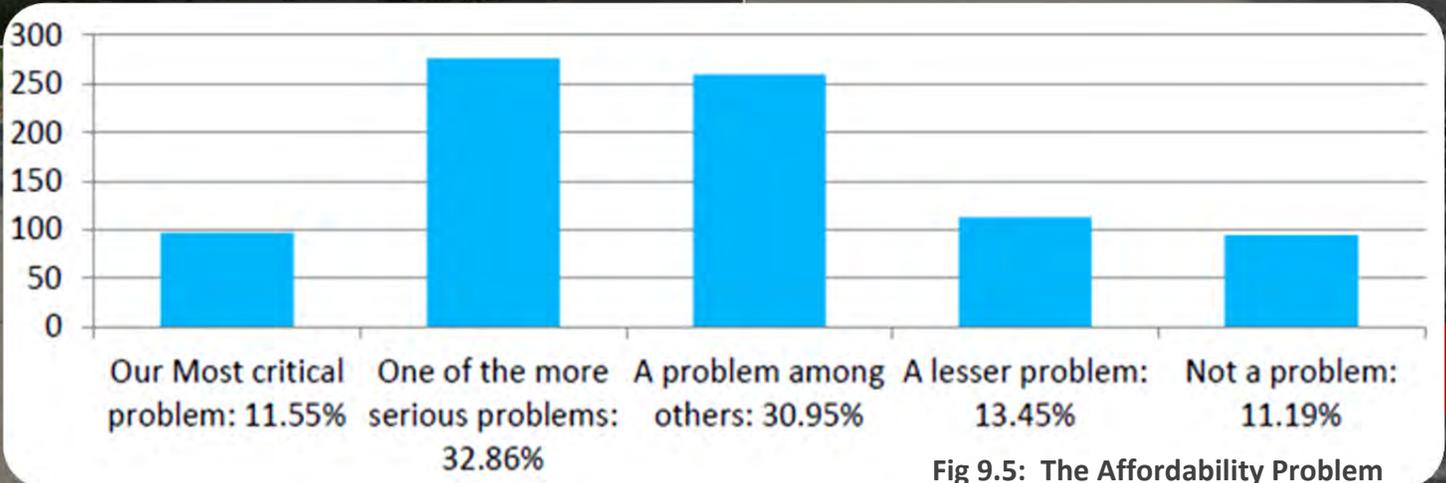


Fig 9.5: The Affordability Problem

Survey takers who rent mostly indicated they would be interested in buying a home but chose to rent either because there is high down payments, they simply cannot afford to buy a house, or they cannot find one they can afford in Clarke County. When workers were asked what type of home they would prefer, the survey results also show that most people prefer midsize single family homes, and people either want a larger home or want to move to a different community. Migration statistics may indicate that people looking to move to a different community may be leaving Clarke County. For those who would consider staying in Clarke County, the Prince Avenue Corridor, Five Points, and Athens Westside are the most favored neighborhoods.



Fig 9.6 Athens Neighborhood Preference

Findings regarding home selection attributes are very revealing in the data. As Fig. 9.7 presents below, the workforce finds price as the most important attribute when selecting a place to live; this was followed closely by neighborhood safety. Following these leading indicators, attributes are specifically tied to the home itself such as home type, size, and maintenance, rated third, fourth, and fifth, respectively. The responses also indicate that proximity to work is important, followed by access to amenities nearing the midpoint. Also of note are the responses tied to children, where quality of schools and proximity to daycare received unexpected responses. The consultant team believes that this is the result of the Athens workforce, which is made up equally of households with and without children, as explained previously in this study.

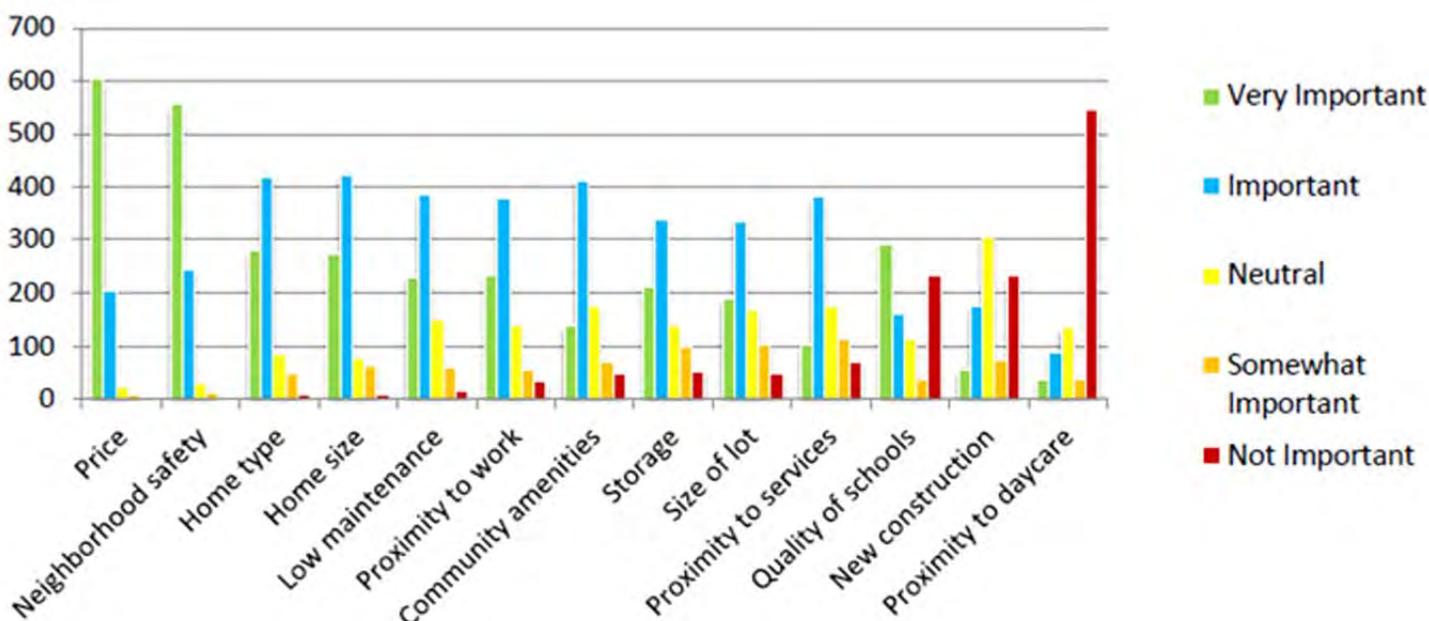


Fig 9.7 Influences of Selecting a Place to Live



As is evident from the figure below (fig. 9.8), people who care about new construction care less about price, and people who care about safety care less about new construction; this is represented by strong negative correlation. Almost no one cares about daycare proximity, which indicates that new home buyers are more likely families without children. Storage and lot size insinuate the same thing, as represented by strong positive correlation.

	New cons.	Home size	Home type	Low maint.	Storage	Lot size	Price	Work prox.	Day care	Services	Safety	Schools	Amenities
New construct	1												
Home size	-0.31983	1											
Home type	-0.294363	0.9985123	1										
Low maintenar	-0.122709	0.9699923	0.9743433	1									
Storage	-0.185545	0.9829249	0.9821273	0.9947742	1								
Lot size	-0.064098	0.9384713	0.9382642	0.9879396	0.9859646	1							
Price	-0.591865	0.6200496	0.6399317	0.5286078	0.513297	0.4054148	1						
Work proximit	-0.142136	0.9801872	0.9851396	0.9972668	0.9938169	0.9764752	0.5562311	1					
Day care proxit	0.5153376	-0.52347	-0.50945	-0.541865	-0.551672	-0.569574	-0.434988	-0.500061	1				
Services proxim	0.1574146	0.7881218	0.7779407	0.858377	0.8699562	0.9157805	0.0255032	0.8429883	-0.359194	1			
Safety	-0.575046	0.7000279	0.7183381	0.6143063	0.6013157	0.497734	0.9942782	0.6407833	-0.464136	0.1314199	1		
Schools	-0.098791	0.2776604	0.3145922	0.1994843	0.1640433	0.0532714	0.695841	0.2572293	0.3295647	-0.175548	0.6743634	1	
Community an	0.1237819	0.8666098	0.8646481	0.9342863	0.9344211	0.9660335	0.1974277	0.9241557	-0.386929	0.9807329	0.2993088	-0.009686	1

Fig 9.8 Correlation Analysis

Survey Respondent Major Concerns and Comments

In addition to the responses provided to the direct questions in the survey, there was an opportunity to provide anonymous comments about the housing needs of the workforce, by the workforce. There were six themes that were echoed throughout. Included below are select quotes from survey takers. Although there were many responses covering a broad spectrum of topics, the five primary areas were:

- Anxieties over housing affordability and choice
- The proliferation of student housing
- Worries about safety and crime
- Uneasiness about government and market-provided low income housing
- Angst about public education

Housing Affordability and Choice

1. Please make affordable housing for average citizens not in or attending college. Students have taken over our options to find a reasonable choice of housing.
2. There are too many apartments, and this lessens the quality of life for many homeowners in Athens. This fact causes home values to drop as assessments keep rising. It is unsustainable. I think Athens needs to work towards increasing the density of housing, creating more mixed-use facilities, and integrating these new developments into existing communities. It also needs to put a priority on affordability. While doing this, it desperately needs to address its lack of sufficient multi-modal transportation options. Athens is a city with an identity crisis, which is why so much of the infrastructure is suburban nature. With adequate urban infrastructure, it could start attracting new businesses to town and keep more graduates around who would like to have professional lives here.
3. I lived in the Boulevard Neighborhood for many years. I had to leave due to the inflated rent prices. The pricing placed me further away from my work and my son's school too. It is absolutely ridiculous how expensive housing has become over the past fifteen years I have been living here. The tax hike in the Boulevard area displaced a lot of renters. What also seems to be happening is the students are choosing to stay somewhere else other than in the luxury housing that was, and still is, being built for them. We have a serious housing problem overall here in ACC.





The Proliferation of Student Housing

1. One of the biggest issues plaguing Athens housing is the constant development of high-rise student apartments near downtown. They prevent areas outside of downtown to develop or cause a collapse in housing in the surrounding Athens areas.
2. It is very difficult to compete with expensive college rentals; it would be great to somehow crack that market for young professional renters who can't afford as much in rent but take better care of their homes.
3. No more luxury student high-rises downtown - it is making the rest of the rental market too expensive. The landlords of in-town neighborhoods have started to renovate their rentals to unnecessary standards (fancy things like granite counter tops, stainless steel appliances, etc.) for the average rental occupant. To pay for these renovations, they raise rent so that a small two-bed/one-bath house is now \$1200 per month or more. And now the only people who can afford it are students who would have otherwise lived in the high-rise. This ends up breaking down the sense of community within these neighborhoods, since half the population that used to be young professionals or families are now transient residents that move every year or so.

Worries about Safety and Crime

1. Safety would be the biggest reason I don't live in Athens-Clarke County. A lot of neighborhoods have gone downhill for the price range that I would be looking for.
2. We need more options for safe neighborhoods. We pay a lot in rent for two people so that we can stay in a safe neighborhood. The neighborhoods with more affordable rents (\$600-\$700 for a small house) are located in areas with higher rates of crime. The rental companies also gouge young professionals; only students living with three to four people to a house can afford to cover some of these rent rates. Most young professionals just want a small affordable house.
3. I think safety is a huge concern in many areas of Athens-Clarke County. This is my family's main reason for leaving Athens to live in Oconee.

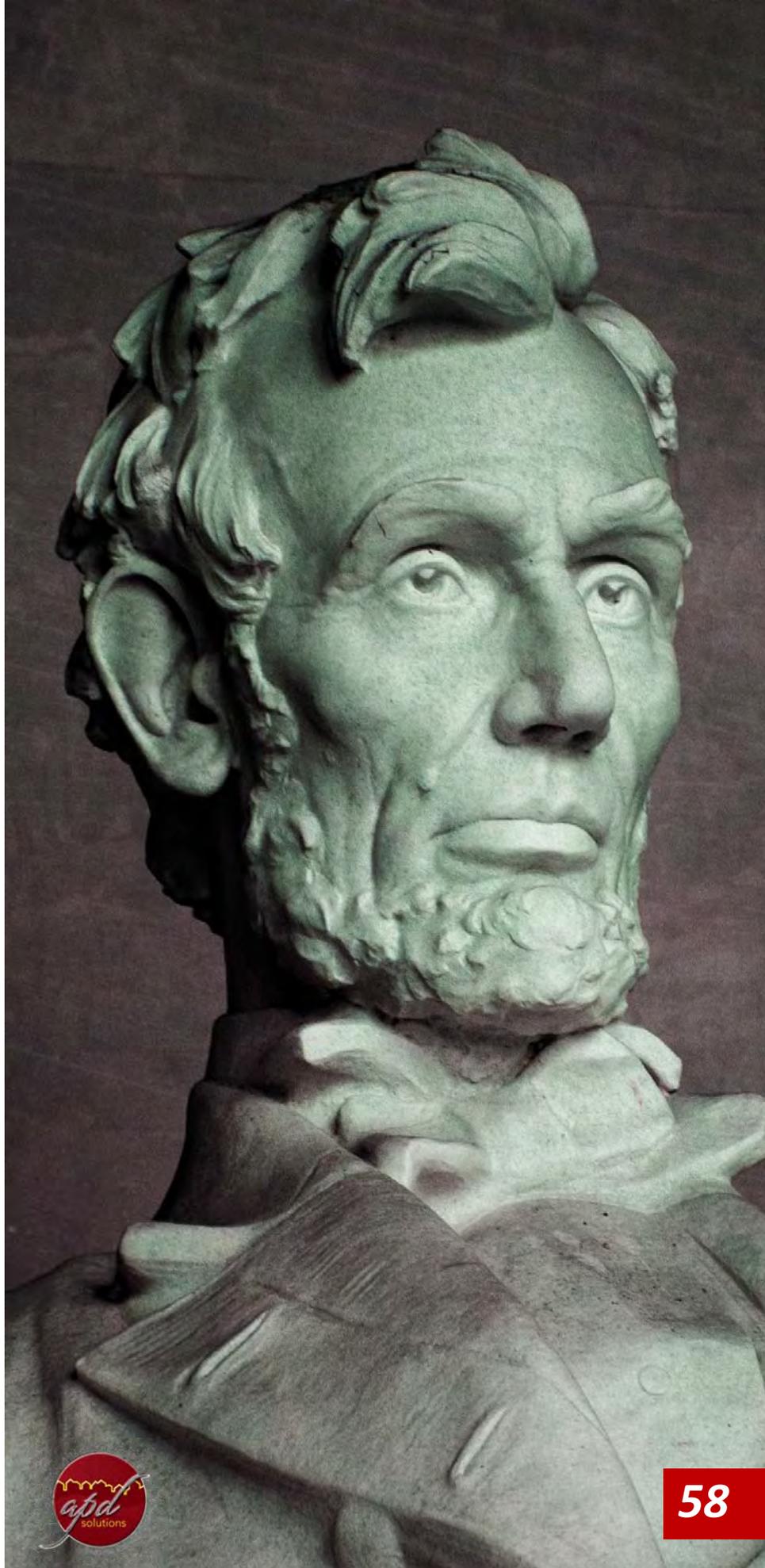


Unease about Government and Market-provided Low-income Housing

1. There are too many low-income housing options and too much HUD-housing; this makes homeowners move to nearby counties, and businesses tend to follow.
2. Housing projects should be consolidated into one area of town instead of being spread throughout the county. I have personally turned away from buying a house just because the projects are located so closely to them. I feel unsafe and fear for my property being close to the projects.
3. Clean up government housing and the areas surrounding them.

Angst about Public Education

1. Public education is my greatest concern in the county. Its reputation is also causing us to consider surrounding counties for our next home.
2. Fix schools and then young professionals with families will move to Athens. Public school quality was the single most important factor for us and it is why we had no problem choosing Oconee County over Clarke. Why pay more in property taxes for horrible public schools?
3. Hoping ACC School District can gain a more positive image to keep families from thinking they must live in Oconee County.





There is clear evidence that public education is driving the Single Family housing market. The 2010 Census shows that Clarke County had 21.4% of households with children under 18; the lowest percentage in the region.

PART 3: Observations and Taking Action

Now that we have engaged local stakeholders, examined the neighborhoods, queried the workforce and determined a list of key findings, it is easier to assess and reconcile the data. It's clear that there are many factors underlying the housing challenges found for the workforce in Athens-Clarke County. Our approach began by identifying consistent and repeated areas of common concern throughout the process. The consultant team also attempted to assess the level of importance of these matters and provide a rationale for the local workforce housing dynamics.

The Workforce Hierarchy of Needs

Where a person decides to live is not solely a practical decision about where they will sleep, shelter themselves and store their things. The choice of residence is also psychological, a representation of who they are. Unfortunately homebuyers and renters are often treated as homogeneous groups but their decisions are based upon many factors, motivations and trade-offs. Understanding how those decisions and trade-offs are made will help Athens-Clarke County best determine approaches for supporting its workforce and preserving a diverse mix of local residency. Notwithstanding of everything presented regarding economics, preferences and household mobility we must acknowledge the importance of place. After knowing a person's name the first thing we seek to discover is where they live. When meeting a person "where are you from?" is usually one of the first three questions asked. That's because our culture recognizes that where a person lives reveals something important about the person we are meeting.

Subliminally, that awareness is imbedded into our psyche and flows through the decision process. Many believe that it is tied to the Abraham Maslow Hierarchy of Human Needs. Maslow was a psychologist that studied the needs of human beings. He discovered people have five different levels of needs (fig 10.1) and believed lower-level needs have to be satisfied before upper-level needs can be addressed.



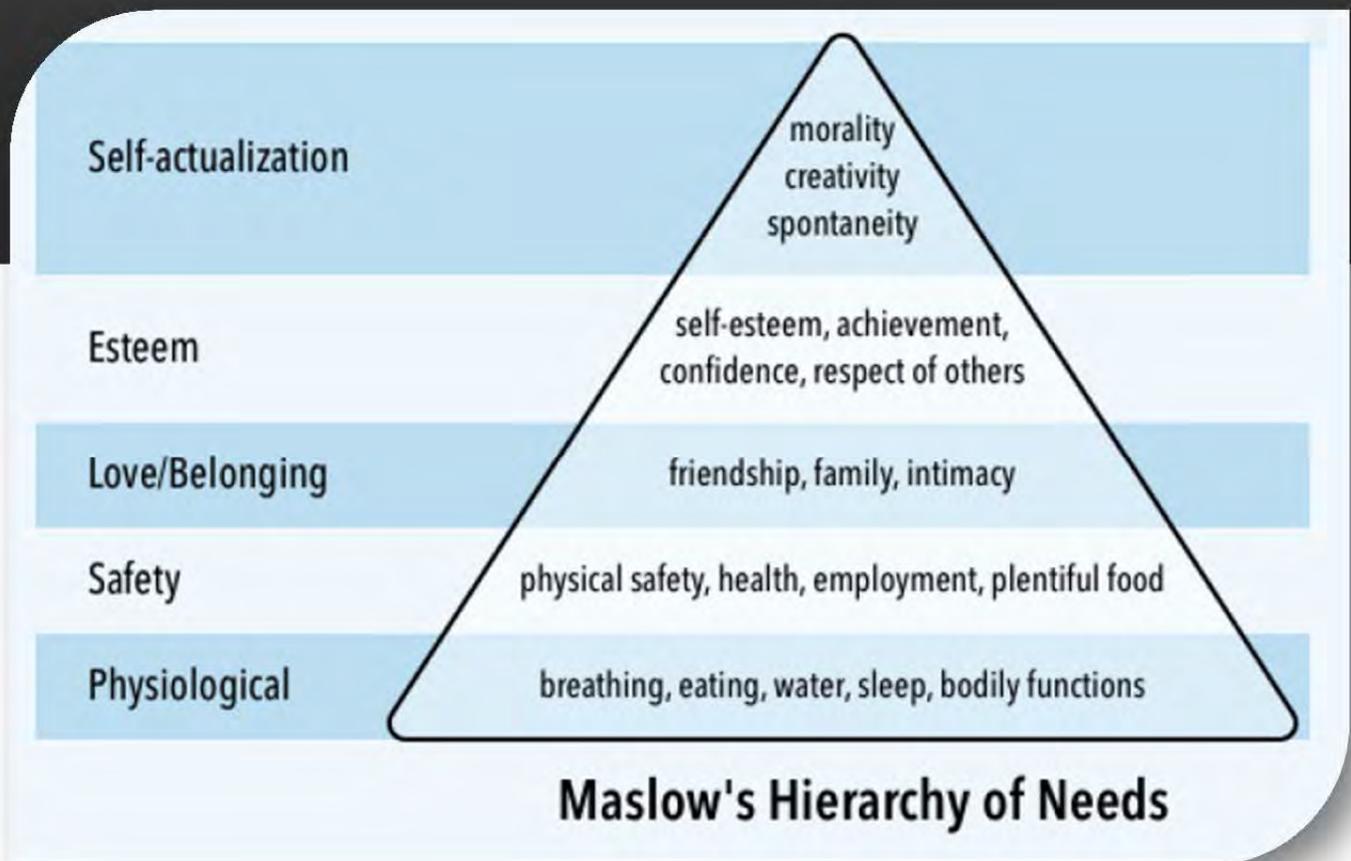
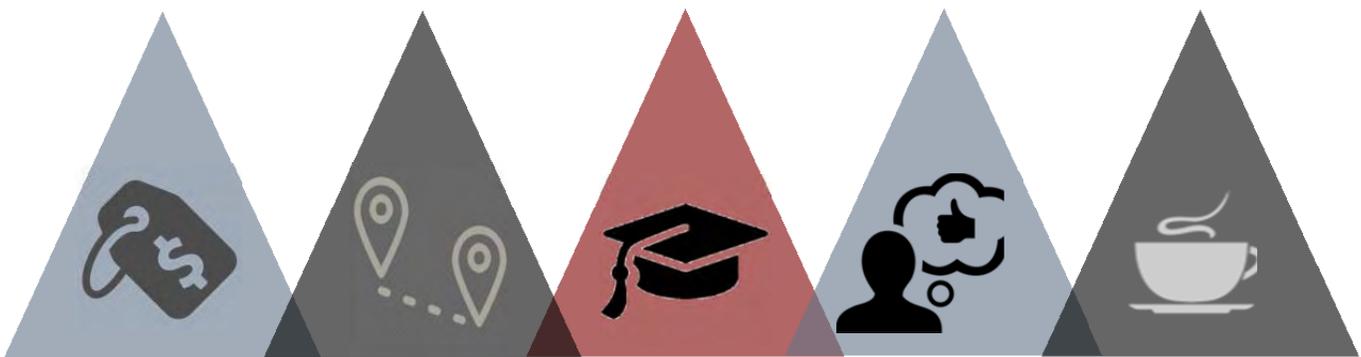


Fig 10.1

Tying Maslow's theories to the Athens circumstance can help community leaders understand the devices that may help shape the desired outcomes for this community. Level 1—Basic Needs: The need for satisfying bodily functions, such as the need for food and drink, shelter, warmth, and rest. Level 2—Safety: The need to be safe from physical danger and to be assured of emotional security. This includes a sense of security in employment. Level 3—Love and Belonging: The need to be truly accepted by one's peers, the desire to be liked and loved, and the desire to give love and affection to others. Level 4—Esteem: The need for self-respect and for the esteem and respect of others and the desire for recognition as a skilled and useful human being. Level 5—Self-Actualization: The need to fully realize one's potential, to be the best person one is capable of being, and to do work that is really suited to one's skills and interests.

As people move up Maslow's scale they become more specific about their needs. Once they secure basic needs they become concerned about other needs. Their list of demands become more specific and is usually a contributing factor in household mobility. If a worker doesn't earn enough to afford suitable housing for his or her family, that individual will be motivated by financial needs more than prestige. As he or she earns more or the market prices come down, more attention is paid to who the neighbors are and what amenities are available in the area.

If Athens can transcend beyond satisfying the most basic level of human needs—shelter, and move its residents further up the scale to self-esteem and self-actualization it will become a community of choice for its entire workforce. With this in mind and informed by the data collected throughout this process, the consultant team began shaping the foundation for recommendations relating to the following matters:



1. **Cost (C):** Issues dealing with the satisfaction of basic physiological needs through the ability to afford housing in Athens.
2. **Proximity (P):** Issues involving basic safety needs including through improving a sense of security in the city and providing more adjacency to places of employment.
3. **Education (E):** Issues surrounding esteem needs associated with achievement, building confidence and gaining respect of others through education.
4. **Reputation (R):** Issues surrounding belonging and esteem needs through offering wide choice of communities with strong reputations and prestige.
5. **Amenities (A):** Issues surrounding a desire for self-actualization through the accessibility of broad options in Athens that allow for maximum self-expression and creativity.

The functional environments for each of these approaches will be further analyzed below.

Housing Cost and Affordability

Housing cost and affordability is usually defined with reference to the income that is sufficient to meet a household's basic needs, such as shelter, food, clothing, medical care, and so on. Generally, if a household spends more than 25 to 30% of income on shelter, then that household is experiencing an affordability problem. Lack of affordability impacts life at home and creates disruptions in the workplace. This is perpetuated by loss of time at home, stress over finances, turn-over at employer sites, which in turn promotes uncomfortable living situations and migration.

Housing costs usually represent the largest portion of an individual's budget. Across America, families are finding it difficult to afford safe, decent, and adequate shelter on one income alone. For example, to afford the median-priced home in Athens costing \$200,400, a minimum annual income of \$58,036 is required. There are many essential workers who could not afford a home with their income alone. The illustration (Fig. 10.2) below clarifies the struggle of the Athens Clarke County workforce.

Wages and Cost of Housing in Athens-Clarke County



Fig 10.2

As the table demonstrates, a medical technician who earns 100% of Athens-Clarke County median income on average is 44 % below the minimum required to purchase a typical home in the County. As a result of situations like this, many working families start creating coping strategies, such as buying housing smaller than what is needed for their family situation, commuting longer distances, finding secondary employment, and budgeting other non-housing expenses. Of these coping techniques, the most common is to increase income through a dual-income approach, either overtime or with a second job.

Although home sale prices have stabilized over the past three years as the housing market has recovered, rent remains far higher than they did a decade ago; even when considering the price of a home compared to household income, it is no longer a buyers' market when it comes to real estate sales. Rising rent has contributed to a rapid decline in the supply of rental housing that is affordable to working households. Rising rent also mean that many apartments that had once been affordable to lower-income households no longer are. This may force those families to compromise their standard of housing, thus directly impacting their quality of life.

Affordability problems fall into two areas: long- and short-term. The long-term affordability problem involves households who, for the foreseeable future, will be unlikely to have an income that would allow them to purchase appropriate shelter. The short-term affordability problem concerns households who, over time, have an average income that would be sufficient to purchase appropriate housing in the private market, but who face short-term fluctuations in income that precipitate housing stress or crises. That is, a household may face the short-term loss of employment, illness of a primary income provider, or a rise in interest rates or rents precipitated by regional economic conditions. Such households may find themselves unable to afford their current accommodation in the short term and may begin to use personal or consumer credit to manage these costs or worse methods, with the possibility that they may face hardship from being forced to move or losing personal capital incorporated into their homes. These short-term fluctuations harm both the household and the parties providing them with housing. As a result, households with a higher risk of short-term income fluctuations may find it difficult to acquire appropriate housing in the private market.

The long-term and short-term affordability problems have different causes, and therefore require different policy approaches. The long-term problem is a problem of low income as opposed to an issue of local housing policy. Government interventions that are designed to improve conditions in the housing market are not a solution to this type of problem — there is no sense in improving the operation of a market that these households cannot effectively access. The long-term affordability problem requires anti-poverty programs, with housing as a key element.



The short-term problem is caused by income fluctuations rather than a permanent lack of income, and it requires a mechanism to deal with short-term income loss. This is a concern for the government if private markets are unable to provide adequate solutions to housing stress caused by income uncertainty. While in principle capital markets should be able to provide short-term finance to get households through challenging situations, this does not occur often. There are basic economic reasons for this, for example financial institutions are reluctant to provide loans to households that have just suffered a dramatic loss of income or a rise in housing prices.

The rule of thumb is to keep housing costs at or below 30% of before-tax income. There are various indices for affordability that scale based upon percentage or a point system. These indices generally assess the city, MSA, or region as a whole, and not often submarkets as specific as a neighborhood.

Table 5.1 Athens-Clarke County Job

Athens-Clarke County Job	Average Annual Salary	Affordable Rent or Mortgage Payment
Dental Hygienist	\$64,780.00	\$1,619.50
Claims Adjuster	\$63,880.00	\$1,597.00
Registered Nurse	\$60,900.00	\$1,522.50
Librarian	\$59,400.00	\$1,485.00
High School Teacher	\$57,700.00	\$1,442.50
Elementary School Teacher	\$54,190.00	\$1,354.75
MRI Technologist	\$54,060.00	\$1,351.50
Real Estate Appraiser	\$51,090.00	\$1,277.25
Postal Mail Carrier	\$49,310.00	\$1,232.75
Auto Body Mechanic	\$46,460.00	\$1,161.50
Building Inspector	\$44,760.00	\$1,119.00
Electrician	\$44,040.00	\$1,101.00
Vocational Education Instructor	\$44,020.00	\$1,100.50
Police Officer	\$41,660.00	\$1,041.50
Graphic Designer	\$39,640.00	\$991.00
Fitness Instructor/Personal Trainer	\$36,500.00	\$912.50
Delivery Truck Driver	\$35,030.00	\$875.75
Maintenance/Repair Worker	\$34,860.00	\$871.50
Exterminator	\$34,470.00	\$861.75
Hotel or Restaurant Chef	\$33,370.00	\$834.25
Medical Lab Technician	\$32,540.00	\$813.50
Secretary/Assistant	\$32,190.00	\$804.75
EMT/Paramedic	\$29,450.00	\$736.25
Landscaper/Groundskeeper	\$27,680.00	\$692.00
Pharmacy Technician	\$27,500.00	\$687.50
Bank Teller	\$27,140.00	\$678.50
Hairdresser/Cosmetologist	\$27,060.00	\$676.50
Preschool Teacher	\$26,900.00	\$672.50
Receptionist	\$26,450.00	\$661.25
Highway Maintenance Worker	\$26,380.00	\$659.50
Janitor/Cleaner	\$22,680.00	\$567.00
Retail Sales Representative	\$22,550.00	\$563.75
Laundry/Dry Cleaner	\$19,660.00	\$491.50
Maid/Housekeeper	\$19,640.00	\$491.00
Cashier	\$18,970.00	\$474.25
Bartender	\$18,220.00	\$455.50
Personal Health Care Aide	\$18,180.00	\$454.50
Hotel Desk Clerk	\$17,990.00	\$449.75
Waiter/Waitress	\$17,610.00	\$440.25
Substitute Teacher	\$17,340.00	\$433.50

>= 100% HUD AMI
\$56,600

>= 80% HUD AMI
\$45,280

>= 60% HUD AMI
\$33,960

>= 100% ACC
Median
\$32,715

>= 80% ACC
Median
\$26,172

>= 60% ACC
Median
\$19,629

Proximity and Location

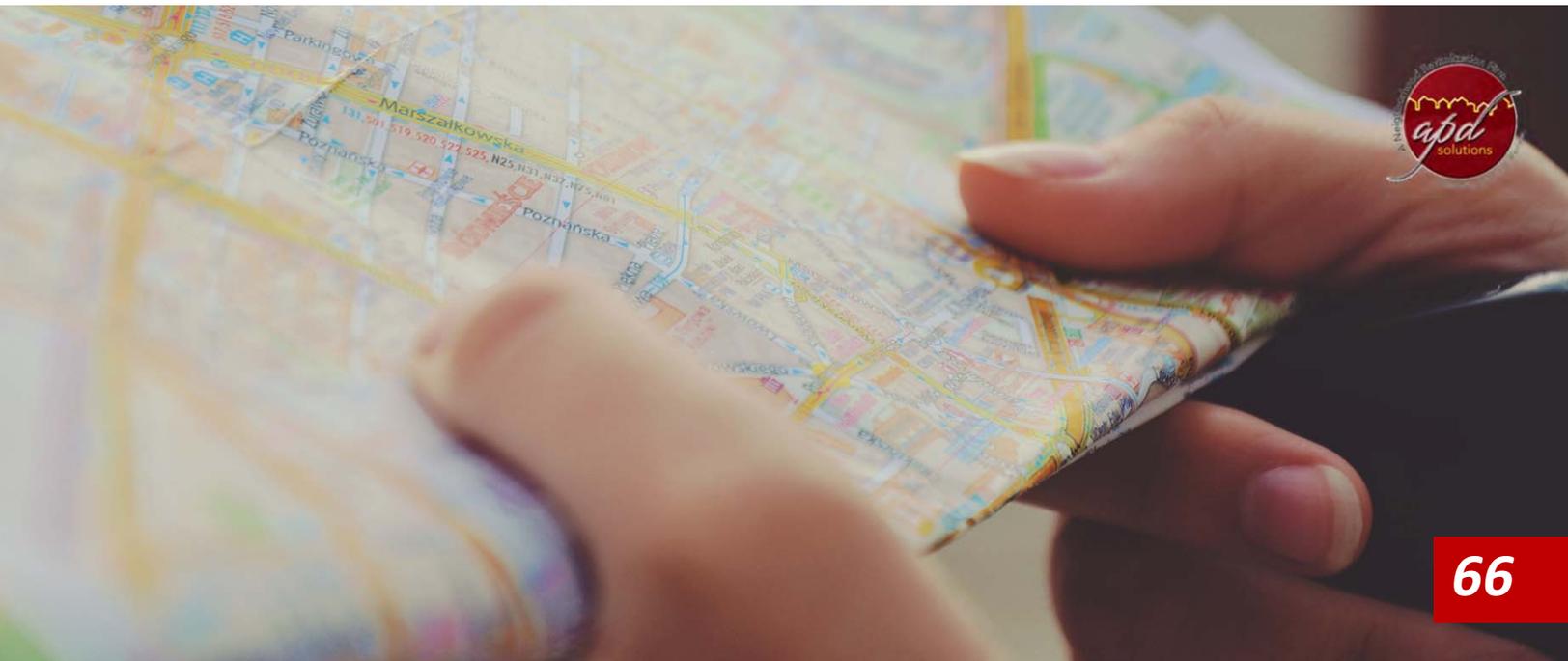
The proximity question in Athens is generally experienced in reference to four areas:

- Proximity to work
- Proximity to crime
- Proximity to students
- Proximity to amenities and services

Proximity to work: In an environment where income is relatively low compared to the cost of housing, it is unlikely to expect that employers will accept sole responsibility for closing that gap. Alternatively, an important tactic is to determine how to boost the effective income of the workforce. Housing is generally 30% of a household's expenditures and a close second is transportation. According to the Federal Highway Administration, households that live in an automobile-dependent community spend nearly 25% of their income on transportation. Helping the workforce live closer to job centers and to their specific worksite will have an impact on the monthly budget.

For example, the 2015 IRS mileage rate is 57.5 cents per mile. This rate is essentially intended to represent the average cost per mile of operating a car. Imbedded in that per mile number is gas, repairs, basic maintenance, taxes, registration fees, and insurance. According to the US Census and Georgia Department of Labor, there are 27,151 Athens-Clarke workers who live outside of the county. For every five miles closer to work a person lives, they will save approximately \$29 per week and \$1438 a year in residual transportation expenses. If a worker who drives for their commute moved ten to fifteen miles closer to work inside of Clarke County, it would be similar to adding \$2876-\$4314 to their annual income.

Proximity to crime: Proximity to crime activity is also a vital aspect of the housing decision. Shelter isn't solely for the purpose of protecting us from Mother Nature but also protecting us from harm. When looking for a place to live or when starting a new family, most people look for a safe, friendly neighborhood. Close proximity to criminal activity or events increases apprehension and ultimately impacts the actual or perceived value of a property or neighborhood. For this reason, understanding crime rates is an excellent starting point in assessing potential investment in a community.





Commonly accepted viewpoints suggest that high or increasing crime levels cause communities to decline. Researchers usually translate decline to mean an increasing desire to move or a higher actual mobility of residents; weaker attachments of residents to, and satisfaction with, their neighborhood; less local involvement; and lower house values. The results reveal that different crimes influence different aspects of the housing market. Past and fluctuating crime rates play roles in the transition of neighborhoods. Any barriers to reinvestment and redevelopment in the older parts of the county, by both the private and public sectors, are caused by perceptions and/or reality about public safety.

The perception of crime is that it is a problem found in urban areas. This places a different burden on Athens-Clarke County than the surrounding jurisdictions. As a result, nearness to the urban core and density causes questions to rise, and stimulating new development can influence crime by modifying the built environment. Homebuyers and renters also have preferences of being near new development activity, which can come in the form of new construction or renovation activity.

Certain types of criminal activity is stimulated by disorder in the physical environment, for example, the condition of the neighborhood, streetscape, and housing design features can enhance or reduce crime. Physical features that offer better surveillance, delineation between public and private space, and proximity to well-used locations enable stronger control of spaces by law-abiding residents. Such control leads to less delinquency, less fear, and less victimization (Wilson and Brown 2009). New investment activity conveys that an area is under control, well-ordered, and watched. These visual signs of new improvement activity send strong messages to inhabitants and visitors alike about civic involvement and concern.

People also tend to associate the threat of physical harm with certain places, for example where they live, a place they are visiting, somewhere they want to go, or a place they avoid. Although crime can happen anywhere, certain locations experience crime more frequently, and generalizations about crime rates help establish the psychological link between the likelihood of a crime occurring in that place and a person's fear of becoming a crime victim.

Visual cues based on a community's geography also influence perceptions of how bad crime is or is not in a neighborhood. For example, areas with high rates of crime and deviant behavior tend to be densely populated, physically deteriorated places, with a substantial number of transients. In addition, residences are often mixed with less-than-desirable commercial establishments. Residents who are able to move out of these areas usually do so, and people who live in "safe" neighborhoods generally avoid the high-crime areas from fear victimization. Visitors might be warned not to go into certain neighborhoods, or might leave an area if they inadvertently wander into one that "looks bad." This also represents how businesses view neighborhoods; possible victimization and potential loss of investment may influence whether business owners invest in certain areas.



Fear of crime based on visual cues alone is not always substantiated, however it is a common tactic used while assessing an investment. Demographic factors such as education, income level, and lifestyle further influence perceptions and fear, thus fear of crime changes across different neighborhoods, even if the visual clues suggest otherwise.

Proximity to students: When large numbers of college students live off campus, there tends to be a culture clash with the lifestyles of area residents. Households that live near college campuses or near college students often list noise, late hours, transient visitors, loitering, parties, and rudeness as a sampling of concerns. This isn't unique to Athens and the University of Georgia. According to survey responses of the workforce, the growth of UGA is a blessing and a curse due to the growing pains impacting the surrounding community and residents.

With UGA being the leading employer in the area, many university workers prefer not to live in areas with the students they see at work during the day; the continued engagement and proximity influences their views on work-life balance. It is also clear that households that include children prefer not to live in regular proximity to students.

There have always been students living off campus, however the density of the student population residing in different areas has changed radically over the last two decades. Friction between the students and long-term residents in these communities have escalated as more undergraduates become the majority residents in areas that predominantly used to be comprised of community members, and the culture and lifestyle of both segments have different needs and desires. Community leaders must perpetually work to establish an environment of safety, mutual respect, and consideration.





Proximity to Amenities and Services: Proximity to retail or commercial amenities and transportation options raises the desirability of a neighborhood and its property values. The live-work-play community concept receives attention from a large number of consumers, and a variety of businesses are eager to gain profit from, and improve, those communities. The recent trend in the development of mixed-use communities proves this to be true. These communities serve more than one purpose by mixing areas such as retail, housing, and commercial entities into the same space and are currently trending among planners and local public agencies, as well as consumers and businesses. The convenient availability of goods and services is a key factor that people consider when choosing a place to live, and neighborhoods without suitable retail options are dramatically weakened. .

When jobs, housing, and retail activities are located close together, a community's transportation options increase, while traffic congestion decreases. Studies have shown that locating residential buildings within walking distance of offices, restaurants, retail, civic spaces, and public transportation significantly reduces a community's dependence on cars, preserves green space and natural resources, and promotes economic development. This is because when services are close by and are accessible, residents are less likely to drive; often walking or use other modes of transportation such as bicycles and public transit.¹ There is no mistake that the most desired neighborhoods for the Athens workforce embrace these characteristics.

Greater access to retail or commercial amenities in a neighborhood provides worthwhile economic benefits. Sales tax generated in these neighborhoods is often pooled back into the community through programs and initiatives brought forth by the local governments that collect these taxes. Commercial businesses also have a tendency to invest in the neighborhoods surrounding their establishments, whereas neighborhood residents save money by being able to walk or have shorter commutes to get to the goods and services that they need and want, or to commute to work.

Allowing people to live in the same communities where they work and shop improves quality of life, increases the residents' sense of belonging, and reduces traffic congestion. This fosters a sense of connection that bolsters the health and vitality of a community and its residents, all while maximizing space usage and reducing energy consumption.



Public Education

This factor refers to the overall level of academic achievement and progress shown by a public school within a neighborhood over a specific time interval. Schools that perform at or above the state average on standardized tests are usually considered to be higher-quality schools. Schools that indicate positive progress from academic year to academic year are also considered higher-quality schools. There are other factors that could further assess the quality of public schools, such as spending per pupil or extracurricular activities available however the factors described above are the most heavily weighted and are relevant and precise. The quality of a neighborhood's public schools has a direct effect on the demand for housing in that area. Consumers with children place this factor high on their priority list when searching for a home; they all want their children to receive the best education possible. Additionally, it has been shown that children who receive higher quality education in primary levels of schooling ultimately have higher educational attainment, which in turn has a direct correlation to higher income levels. Real estate professionals and investors are aware of these implications, and therefore properties in neighborhoods with quality public education are often appraised and sold at higher values.

Homes in areas with exceptional schools tend to hold their values better than the market overall. These areas also tend to be more affluent and are far less susceptible to the sub-prime mortgage disaster. They therefore see fewer foreclosures. Homes associated with high quality schools also generally sell faster, in both good and bad markets.³ As a result, these homes have higher property values, which has a direct effect on the tax base of an area, as higher home values correlate to higher property taxes, which are then recycled back into the community.

The Clarke County School District (CCSD) serves the communities of Athens and Winterville and part of Bogart. It has 12,682 students attending 21 schools in grades Pre-K and K-12.

Athens' racial makeup is 66.0% white, 27.3% black, 10.7% Hispanic, and 4.3% Asian; blacks make up 51% of Clarke County students, whites 20%, Hispanics 23%, multi-racial 4%, and Asians 2%. According to Georgia's state standards, 84% of students in this district are considered proficient in math and/or reading and the district has a 71.5% graduation rate. The district has an annual budget of \$163,612,000, spending an average of \$13,148 per student.

According to GreatSchools.com, a tool that compares schools based on test scores and other available data, including student academic growth and college readiness, Clarke County School District has an overall rating of 4. The GreatSchools.com rating is on a 1-10 scale, where 10 is the highest and 1 is the lowest. Ratings are broken down into three categories: ratings 1-3 signal that the school is "below average;" 4-7 indicates "average;" and 8-10 indicate "above average."



The highest achieving elementary schools in the district are located within two miles of each other in the Five Points and Boulevard neighborhoods; these are Chase Street Elementary School and Barrow Elementary School, which both received a score of 8 in the Great Schools assessment. These two schools are feeder schools for Clarke Middle School, which is the highest rated middle school in the district with a Great Schools rating of 7. Students from Clarke Middle School inadvertently attend Clarke Central High School, which is the highest rated high school in the district with a Great Schools score of 4.

Great Schools data further reported that out of 14 elementary schools in CCSD, none received a 9 or 10. Only two received an 8; two received a 7; three received a 5; two received a 4, two received a 2; and three were not rated. Out of four middle schools, one received a 7; one received a 6; one received a 5; and one received a 4. Out of the three high schools in CCSD, only one received a 4, one received a 2, and one was not rated.

In comparison, Oconee County School District (10 schools) had an overall rating of 9. Out of six elementary schools, one received a 10, four received a 9, and one was not rated. Out of two middle schools, one received a 10 and one received a 7. Out of two high schools, both received a 10. Looking beyond academics, the Clarke County School District is also lagging behind other nearby counties in regards to overall experience, according to Niche.com, which ranks the Clarke County School District nationally at 6,629 out of 8,738 school districts, with a Grade C+.

Niche.com forms its evaluation using information sourced from various government and public data sets, its own proprietary data, and 4,624,238 opinion-based survey responses across a variety of topics from 287,606 current students, recent alumni, and parents. A high ranking in overall experience generally indicates that students are very happy with their experience in all aspects, including academics, teachers, health, safety, resources, facilities, extracurricular activities, sports, and fitness. Out of all the school districts in the surrounding counties, the Oconee County School District has the highest Niche.com ranking at 528 out of 8,738, giving it Grade A. All the other nearby counties also have school district rankings higher than Clarke County School District. These are Madison County (5,535, Grade B-); Walton County (3,325, Grade B); Jackson County (4,652, Grade A-); and Oglethorpe County (6,110, Grade C+).

In addition, Oconee, Madison, Jackson, and Walton County all have schools that have been rewarded with the Highest Performing Schools in 2014 by the Georgia Department of Education, while none of the schools in Clarke County made the list.

Despite this data, the Clarke County School District is improving. CCSD Superintendent Dr. Philip Lanoue was named the AASA National Superintendent of the Year in 2015, and the district also received the Title I Distinguished District for being Georgia's #1 large district for closing the achievement gap between economically disadvantaged and non-disadvantaged students. In addition, all elementary and middle schools made 2010 Adequate Yearly Progress (AYP); the state's measure of achievement under No Child Left Behind. Both Cedar Shoals High School and Clarke Central High School are Advanced Placement (AP) Honor Schools for the state of Georgia.

There is clear evidence that public education is driving the housing market. The 2010 Census shows that Clarke County had 21.4% of households with children under 18; the lowest percentage in the region. In Oconee County, 40.8% had children under the age of 18 in the household. Elsewhere in the region Jackson had 35.40%, Madison had 30.50%, Barrow had 37.7%, and Oglethorpe had 29.60%. As illustrated in figure 10.3, this clearly having an influence on the real estate market, the brunt of single family development in the region is shifting toward the counties showing the best public education performance.

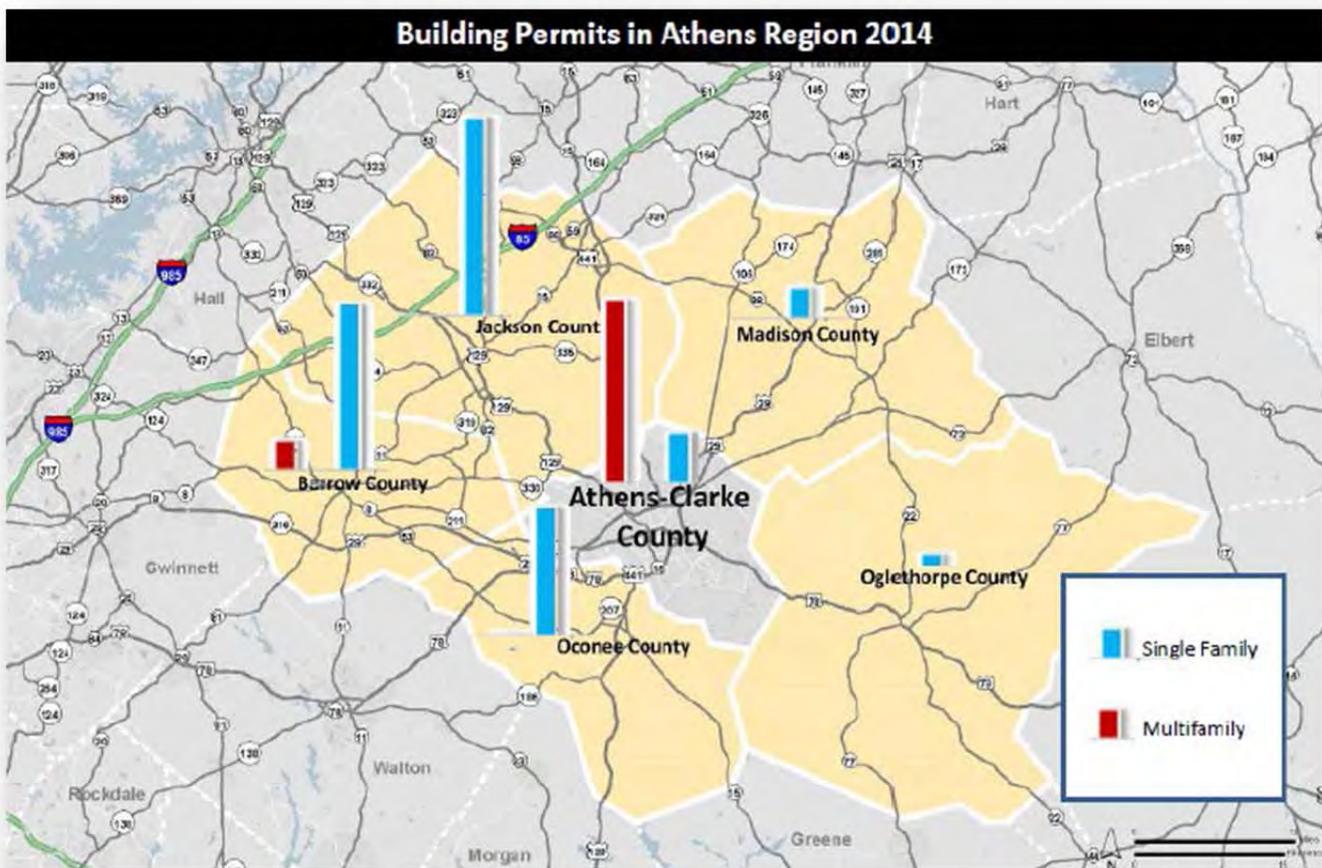


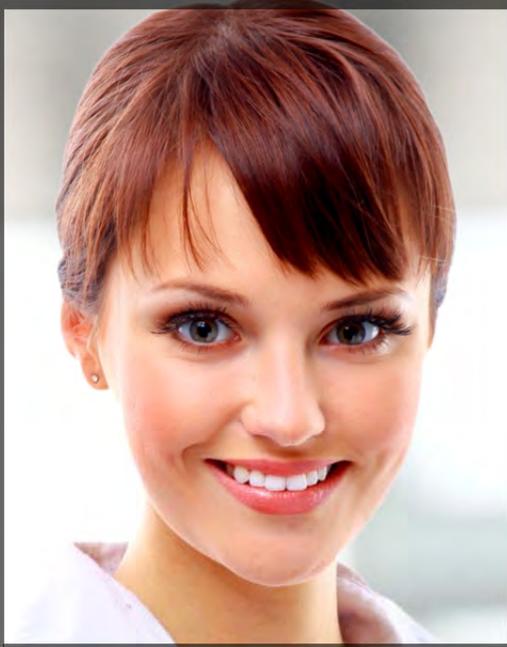
Fig 10.3



Prestige and Reputation

One aspect of neighborhood formation and growth is reputation and, to a broader extent, prestige. Prestige is the widespread respect or admiration felt for someone or something on the basis of a perception of their achievements or quality. In the context of community and economic development, neighborhood prestige matters because it is an assessment that is independent of a particular individual or asset within a community. People relate themselves to their surroundings, partially in terms of the status or symbols their surroundings radiate. The perceived strength of an area is transferred to the people or properties of that area, regardless of any inherent deficiencies.

Neighborhoods are often the place wherein residents cultivate their character, establish relationships, and define their meaning of life. Communities are a source of identity, and each has its distinct traditions, values, and standards. Communities provide a wealth of organized and deep-rooted knowledge, which builds from countless interactions of various socio-political, socio-economic, and socio-cultural attributes that occur over time. This knowledge becomes the property of that particular community and plays an important role in shaping the identity structures of its members. The interaction of various sub-identities of an individual through their membership in different communities continuously shapes learning, thinking, and perceptual environment, which forms the nature of experiences, value preferences, and knowledge arrangements. This intricate and complex system of socialization shapes the identity of a person. The role of communities in shaping the personalities of its members depends on the nature of the knowledge that is organized in its socio-cultural traditions. Neighborhoods with upstanding reputations are essential to the sustainability of Athens-Clarke County. When residents feel a sense of pride and satisfaction with their neighborhoods, they report a greater sense of attachment to the local community, higher overall life satisfaction, better mental and physical health, and greater political participation. They are also more likely to invest time and money in maintaining that positive image of the community (Adams, 1992; Hays & Kogl 2007, Sampson, Morenoff & Gannon-Rowley, 2002; Sirgy & Cornwell, 2002). Residents' shared perceptions about various neighborhood qualities — for example convenient location and access to good schools — affect a neighborhood's reputation. However there are two essential neighborhood characteristics in particular that form the foundation of any neighborhood reputation; whether residents jointly feel that physical disorder is problematic for the neighborhood (e.g., abandoned property, broken windows, crime, etc.); and shared expectations of residents in the collective ability of the neighborhood to address problematic issues (Sampson 2012).



It is important to understand that neighborhoods, cities, and counties share a set of characteristics. Successful towns and cities offer a mix of activities and services, and both are important in the ongoing development of place, community identity, and reputation. By contrast, a place with no unique purpose will quickly cease to be a place. For example, sports are very important to a community's sense of identity; they often provide a focal point, relating local facilities to local communities through activities such as volunteering, fund raising, local sporting clubs, and local identity. Sports also give many households a tangible focus for connecting with local communities and institutions, and this is purported to be an important feature of community strengthening. This is why areas with winning sports teams have an improved reputation, and ultimately over time an enhanced sense of prestige. This is constant regardless of the level, such as little league, high school, college or professional sport teams.

Whereas community is a sociological concept, neighborhood is a spatial one, and the influence of reputation is transferrable to both realms. It is clear that people come to form strong attachments to the places where they live. They also attach importance to places (towns, villages, landscapes) as a whole, as well as to particular historical features within them. The better the reputation of that place, the stronger contribution it is to their individual self-esteem. What this reveals is that activity gives a community its identity, but so do the places in which the activity occurs. In other words, an appreciation and understanding of local distinctiveness — the unique qualities of places and their distinctive cultures — goes some way beyond individual buildings of even historical or architectural importance. Individual places have their own distinct sense of place.

The reputation of community is not static; it can and does change over time, and influences of public policy can shape how communities change. The community character evolves from the interactions of the people and the way residents and visitors operate in the environment, how they perceive their environment, and what type of people and businesses are drawn to that place.

Availability of Amenities

Athens is an amenities-rich community as a whole, but it still has area pockets with varying quality of goods and services. In this area there are unique shops, theater, food, arts, live music, sports, and recreation activities. Due to the influence of the student population, Athens has a broad array of amenities that may not be found in other communities its size without a major university. In addition, the size of the county is an advantage in providing a positive perception of the closeness of amenity offerings.

A cursory overview of what is available establishes an impressive array. From a retail standpoint, Athens provides a regional draw from the Georgia Square Mall to its specialty shops, art galleries, and one-of-a-kind local proprietorships. The county also has walking trails, an arts center, a historic vaudeville theater, a nature center, a greenway, a zoo, and over 2000 acres of parks. It also has an award-winning Leisure Services Department. Athens makes available a public transportation system that operates daily and helps connect people to jobs, shopping, education, and entertainment. Athens promotes walking, cycling, and public transit through education, advocacy, and community service activities. Athens is also part of a regional library system, with 11 libraries throughout five counties.

When the viewpoints of the workforce are factored in, an assessment of amenities becomes more fine-tuned. Direct comments regarding Athens amenities were:

- More walkable communities (closer to stores, restaurants, bars)
- Buses run more frequently
- Lack of sidewalks (especially along Atlanta highway and in neighborhoods)
- Make Westside more walking-friendly
- Needs more high-end retail
- Too heavily dependent on cars
- Quality parks in walking distance of neighborhoods
- More downtown living and amenities aimed at professionals and the senior market

As far as neighborhoods are concerned, Boulevard and Cobbham are the most walkable neighborhoods in Athens, according to Walk Score. Athens has only about ten neighborhoods considered Very Walkable or Somewhat Walkable. Most of the other neighborhoods are car-dependent or drive-only. There were no neighborhoods that were considered a Walker's Paradise, which is a neighborhood where you can take care of most day-to-day errands on foot and where people can get by without having a car.



In regards to this amenity, according to Walkscore.com, Athens-Clarke County has an average Walk Score of 25 with 115,452 residents. Athens-Clarke County is considered a Car-Dependent city in that most errands require an automobile. To put this into perspective, Savannah, Georgia, has an average Walk Score of 41 with 136,286 residents. Walk Score measures the walkability of any address using a patented system. For each address, Walk Score analyzes hundreds of walking routes to nearby amenities such as stores, schools, parks, and restaurants. Points are awarded based on the distance to amenities in each category. There are around 368 restaurants, bars, and coffee shops in Athens-Clarke County, and residents can walk to an average of 0.2 any one of these within five minutes.

Amenities within a five-minute walk (.25 miles) are given maximum points. A decay function is used to give points to more distant amenities, with no points given after a 30-minute walk. Walk Score also measures pedestrian friendliness by analyzing population density and road metrics, such as block length and intersection density. Data sources include Google, Education.com, Open Street Map, the U.S. Census, Localeze, and places added by the Walk Score user community. The higher the score, the more walkable a location is. Walk Score's categories are:

- 90–100 - Walkers' Paradise. Most errands can be accomplished on foot and many people get by without owning a car.
- 70–89 - Very Walkable. It's possible to get by without owning a car.
- 50–69 - Somewhat Walkable. Some stores and amenities are within walking distance, but many everyday trips still require a bike, public transportation, or car.
- 25–49 - Car Dependent. Only a few destinations are within easy walking range. For most errands, driving or public transportation is a must.
- 0–24 - Car Dependent (Driving Only). Virtually no neighborhood destinations within walking range. You can walk from your house to your car!

The most walkable zip codes in Athens-Clarke County are 30602, 30601, and 30605.

- Area Code: 30602 (Neighborhood Zone 3), 51 ranking; 1,241 people
- Area Code: 30601 (Neighborhood Zone 2), 34 ranking, 20,386 people
- Area Code: 30605 (Neighborhood Zone 3), 27 ranking, 43,029 people

30602 is the most walkable zip code in Athens-Clarke County, with a walking Score of 51 - somewhat walkable, where some errands can be accomplished on foot. There are about 85 restaurants, bars, and coffee shops in this zip code, and people can walk to an average of 7 within 5 minutes.

30601 is the second most walkable zip code area with a walk score of 34 - a car-dependent neighborhood where most errands require a vehicle. There are around 150 restaurants, bars, and coffee shops in this zip code, and people can walk to an average of 0.3 within 5 minutes.

30605 is the third most walkable zip code area with a walk score of 27 -a car-dependent neighborhood where most errands require a vehicle. There are around 194 restaurants, bars, and coffee shops in this area, and people can walk to an average of 1 within five minutes.

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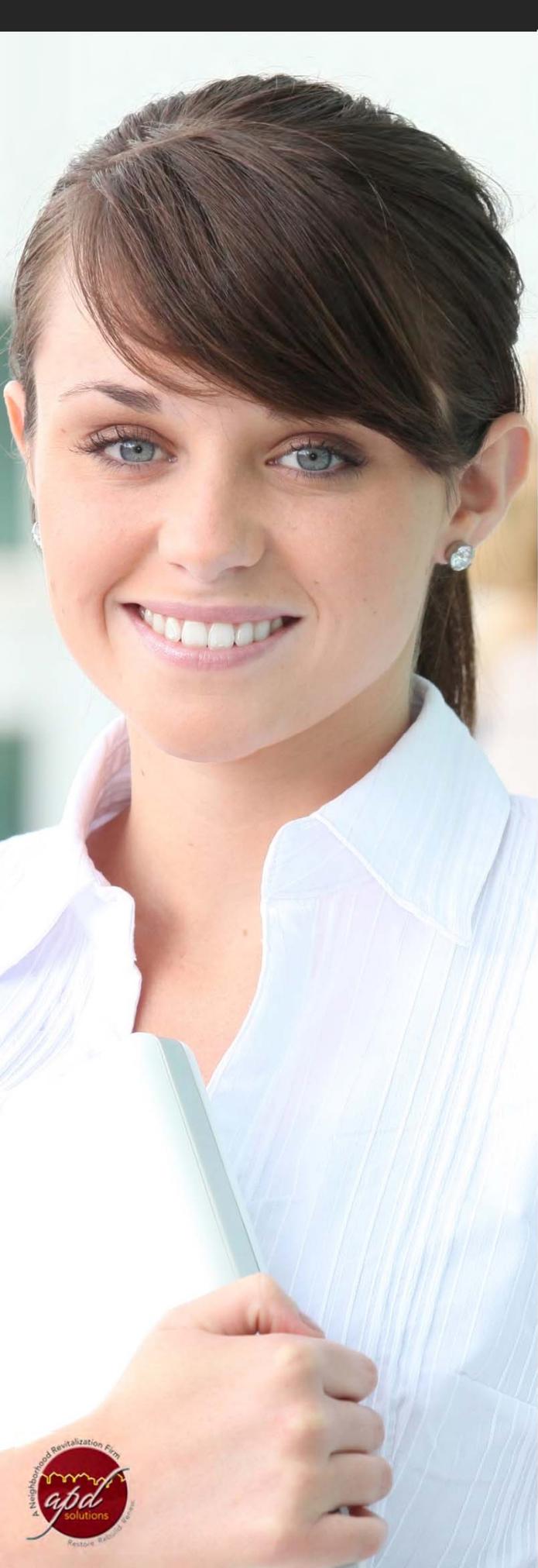


Summary of Key Findings

The general findings from this study indicate multifaceted and wide-ranging challenges for the workforce. Some are unintentional; others are market driven, while others are socio-economic. The recommendations presented subsequently are based on these discoveries. Driven on the research presented, the consultant team has reached the following conclusions and generalizations:

- Only 59% of the workers in Athens-Clarke County actually live in the County. Oconee and Jackson are attracting 10% and 9% of the workforce as residents respectively.
- In light of local incomes, Athens is not an affordable market. The average sales price for all home types in Athens was \$200,400. The average price of new construction was \$338,028. The Home Price Index indicates that home prices are about 72 % higher than they were in 1995. Foreclosure and REO sales present the best option for affordable homeownership in the Athens market. REO home sales transactions fell about 50% since June 2014 further reducing affordable options.
- There are three dominant housing decision groups in Athens. The demands of these three decision groups are driving the housing options. They are:
 - Students
 - Households with children
 - Households without children

The student trend is promulgated by its projected strong population growth and a higher yield which results in student units being more profitable per square foot. The households without children are quickly growing in Athens. They were 51% of survey respondents compared to 38% of respondents being households with children. Households with children tend to be younger households and newly forming. These households have more tendencies toward mobility. The workforce decisions are bifurcated around the existence of children and the different needs.



- Athens-Clarke County is the smallest county in the state. Due to its size, commutes are short and it is easy to live outside of the county and still take advantage of amenities and jobs. The growth of surrounding counties, especially those to the west, are a risk to the future of Athens because those areas are drawing away the households with children in great numbers.
- Athens-Clarke County has the lowest percentage of households with children of the entire region at 22.3%. In comparison with Oconee who has the highest at 42.6%.
- Oconee County is producing more single-family homes than Athens-Clarke County by a 4 to 1 basis.
- The major driver of that circumstance is the strong performance of Oconee County schools and the development of single-family housing at affordable prices in far greater numbers than Athens-Clarke County.
- In 2014, Athens only had \$22,000,000 in single-family investment while Jackson had \$96,000,000 and Oconee had \$80,000,000.
- 80% of the Athens-Clarke housing investment during 2014 was dedicated toward multifamily units.
- Athens had 2,255 rental units built since 2005. Of those units only 11% (251 units) were built as workforce or family targeted units.
- Older complexes that have had a significant decrease in student rentals are still experiencing below 5% vacancy rates.
- Cost/affordability is the most important decision factor for the Athens-Clarke County workforce.
- The vast majority of residential areas in Athens don't have clear neighborhood identities and boundaries.
- Athens has extreme poverty with 36.7% of its households living below poverty.
- Unemployment is low but so are incomes. Sixty-four percent of households are making less than \$50,000 per year. The majority of those households are two income households.
- Of the workers who don't live in Athens-Clarke County nearly 15% chose to live elsewhere because they can't find housing they can afford near their job.
- Of the same workers nearly 30% (29.72) prefer to live elsewhere. Of this group we know cost is not the primary driver because they bypassed this selection. This group is either concerned about education or can afford to live in Athens but chooses not to. They are likely households with children or the middle to upper income portion of the workforce.
- Of those who currently own a home 40.17% are looking to buy a new home. This is an indicator that they are seeking to move up and their choices will be driven by a compliment of other lifestyle factors not basic needs.
- Such a large percentage of homeowners looking to relocate potentially indicates that there is something that their home or community isn't providing today. It is an area of caution because without making a change in policy or approach Athens-Clarke County is vulnerable to losing these households.
- About 44% of the workforce believes housing affordability in Athens-Clarke County is a serious or critical problem.
- Athens-Clarke County median income of \$32,715 is \$24,000 less than the Athens MSA Area Median Income of \$56,600 as defined by HUD. In fact, the Athens-Clarke County median income is \$1,000 below 60 % of the HUD AMI.
- The Athens workforce is asking for walkable neighborhoods but Athens is a "car dependent" community. Athens has only about 10 neighborhoods considered "very" or "somewhat" walkable.



ACTION PLAN

The research and analysis conducted by the APDS team has provided a comprehensive overview of the Athens Workforce Housing circumstances. Housing stock revealed the unique characteristics of the different neighborhood investment areas and highlighted the primary drivers of neighborhood change. Ultimately, the goal of this project is to help the county administration, stakeholders, and employers develop a formula that will allow the community to compete favorably as a place to live of choice regionally and locally. Based upon report data, APDS has produced a series of policy and program recommendations.

Based upon the analysis in this report, the following tactics are recommended:

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- **Tactic 1: Establish a targeted workforce or employer assisted housing initiative**
 - **Tactic 2: Create Adopt-A-School partnerships with local businesses**
 - **Tactic 3: Develop a market based lease-purchase option for workforce**
 - **Tactic 4: Provide a property tax abatement to incent investment and renovation**
 - **Tactic 5: Establish a workforce housing trust fund**
 - **Tactic 6: Evaluate inclusionary zoning**
 - **Tactic 7: Collaborate with builder/developers to remove workforce housing barriers**
 - **Tactic 8: Improve pedestrian mobility**
 - **Tactic 9: Create stronger identities for neighborhood areas**
 - **Tactic 10: Establish a Workforce Housing Advisory Council**

Tactic 1: Establish a Targeted Workforce or Employer Assisted Housing Initiative

A strong national trend is for businesses to actively participate in reseeded central city areas, and promote investments in their communities through promoting their employees to call their worksite community home. It is suggested that this tactic take the form of facilitating a set-aside down payment pool for those looking to buy homes. For those interested in renting this assistance could be structured as a deposit pool that could reduce up-front costs by providing the security deposit for local workers. Due to the position of the economy and strength of businesses, Athens is primed to follow this trend in the future. Strengthening the adjacent neighborhood investment areas must include creating a linkage to current and future job centers.

The Employer-Assisted Housing (EAH) Initiative can help employers both enhance their businesses and help Athens-Clarke County slow the trend of losing working families with children. Through EAH programs, targeted employers promote affordable housing solutions for their workers. By assisting employees to buy or rent homes close to work or transit employers help reduce commute times that contribute to employee stress and fatigue, as well as reduced work-life-balance. Typically, a number of benefits can be offered, such as homebuyer assistance, purchase incentives, rental assistance, education and counseling. EAH is also a great value add for a local economic development plan as EAH can be a cost-effective, way to attract and retain quality employees.

It is a viable option for Athens-Clarke County to champion an EAH program which helps workers gain access to new developments and vacant properties located near major employment centers. Increasing the population of responsible, involved homeowners and renters helps set the foundation for a vibrant, engaged community that can support and attract local business. Additionally, the program can address ongoing and anticipated challenges in hiring and retaining workers, and the desire to increase employee productivity and morale for employers, as well as make the city more attractive as a place to live and do business. It is recommended that Athens make large employers the primary targets in the initial stages of this initiative.

Case Study – Johns Hopkins University

Since 1997, Maryland's Johns Hopkins University has operated an EAH program in partnership with the city of Baltimore's "Live Near Your Work" initiative, and, through 2004, with the State of Maryland, which provided \$1,000 to grantees. Johns Hopkins provides eligible employees with a \$1,000 grant to purchase a home within a designated area, which is then matched by a \$1,000 grant from Baltimore City. If an employee chooses to buy a home in the target area — one of the neighborhoods surrounding or relatively close to the university's main campus — he or she receives a \$500 bonus grant from Johns Hopkins. To date, more than 350 Johns Hopkins employees have taken advantage of the program, including at least 40 Johns Hopkins Health System employees. Johns Hopkins also has initiated preliminary conversations with other local institutions, such as the University of Baltimore and the Maryland Institute College of Art (MICA), about the possibility of creating a joint homebuyer assistance program and a shared-appreciation mortgage product for EAH program participants. This effort would encourage alumni, employees, retirees and students to buy homes in the communities surrounding these institutions.



Tactic 2: Adopt-A-School Partnerships with Local Businesses

Every neighborhood nationwide is dealing with crime, economic issues, transportation limitations, tensions between different groups of people, and uneven development. To find solutions to these problems and make lasting strides in the right direction these neighborhoods need the best ideas, resources, and skills available. Activities that build collaboration and incentive improvements would quicken the pace of development. The county should work with the Chamber of Commerce to establish an Adopt-A-School program for public schools raising the profile of the system and helping erase perceptions about poor performance.

The Adopt-A-School initiative seeks to improve public education by establishing robust, pioneering partnerships between schools and local businesses. Effective school-business collaborations enhance the quality of education; augment the learning experience and help close achievement gaps. These partnerships also can serve as the incubation system for a pipeline of future workers in Athens. Without competing with the role of educators or tinkering with established curriculums this is an approach found to enrich public education and strengthen the community's competitiveness. Examples of the elements of these partnerships include volunteering or mentoring in a school, technology assistance and expertise, internships for students, externships for teachers or help organizing a school-based community event.

This approach may look to connect businesses that are located near lower performing schools pulling the workforce in to volunteer. Once firmly established these adoption efforts may radiate out into surrounding neighborhoods. As the schools are strengthened and the neighborhoods are bolstered volunteering employees may become attracted to these areas and take advantage of housing opportunities nearby. Athens has a plethora of large businesses that may be prime targets for outreach regarding this type of platform.

Case Study – Tuscaloosa, Alabama Adopt-A-School Program

As competitive as Georgia and Alabama football is we found that Tuscaloosa was leading in this space already. The Tuscaloosa County Adopt-A-School program has been elevating public school performance since 1985. The initiative is operated through a joint partnership between the West Alabama Chamber of Commerce and the Tuscaloosa City and Tuscaloosa County School Systems. The program utilizes the abundance of human resources and talents of the business community to enrich the quality of education and operates in 58 public schools. The program has created an effective working rapport between the business/industrial community and the local school systems. It has made attending public school a desired option for area families and the employees as participating companies. There are over 100 businesses and organizations actively involved in the Adopt-A-School program.

- Alabama Credit Union
- Alabama Power Company
- Bank of Tuscaloosa
- BBVA Compass
- BF Goodrich Tire Manufacturing
- Chick-Fil-A Tuscaloosa (2 schools)
- DCH Regional Medical Center
- Embassy Suites
- Jim 'N Nick's BBQ
- Junior League of Tuscaloosa
- Leadership Tuscaloosa Alumni Assoc.
- Mercedes-Benz U.S. International, Inc. (2 schools)
- Merrill Lynch
- Raymond James/Morgan Keegan
- Regions Bank
- Sam's Club #6435
- Shelton State Comm. College (3 schools)
- University of AL Comm. Health Services
- Wal-Mart Supercenter #715
- Zeta Phi Beta Sorority, Inc.





Tactic 3: Develop a Market Based Lease-Purchase Option for Workforce

The income price gap further discourages some workers from attempting homeownership. The workforce may be stimulated by the sense that more viable options for housing are being made available to them. Developing a lease-purchase offering may help deliver that message. A lease-purchase would help with capturing families who are ready for homeownership but may need more time to save or work on credit problems. It may also help families get into housing now in the area they desire without the risk of future interest rate and pricing increases.

Athens-Clarke County could work with HUD to institute a Lease-Purchase program. This program would be intended for prospective homebuyers with limited financial resources who aspire to establish or improve their credit reputation and their cash savings while leasing and residing in a single family home that they may later become eligible to purchase. Those prospective homebuyers who qualify to participate in the program will enter into a lease agreement and work to save toward a down payment and to become approved for mortgage financing and other buying assistance to purchase the home at a previously agreed to price. Prospective homebuyers must submit an application and meet program requirements to be eligible to participate in the program, but do not need to initially qualify for mortgage financing. Applicants will be evaluated in accordance with applicable program guidelines to determine eligibility. Upon approval to participate, the prospective homebuyer may select and live in a program-eligible home during a lease period of a specified term while establishing a loan-worthy credit reputation and making contributions toward a minimum down payment amount.

The lease agreement will include an option to purchase the home at the end of the lease period for a pre-determined amount based upon appraisal values at lease inception. To become eligible to exercise the purchase option, the prospective homebuyer will be required to comply with the terms and conditions expressed in the lease agreement, maintain the property in good condition and appearance, and comply with all code enforcement laws, regulations, and local ordinances. This program would be financed in conjunction with HUD and a pre-identified HUD lender. HUD regulations allow municipalities to request approval as a mortgagee. Athens-Clarke County could use that approval to purchase available homes and rehabilitate the properties. Those select properties could then be rented to tenants that would exercise the purchase option. This is a creative option that would bring new capital to the area and directly attack vacancies, curb appeal and deferred maintenance. This is also a great incentive to peak interest in neighborhood areas the county is seeking to rebound.

Tactic 4: Property Tax Abatement to Incent Investment and Renovation

Borrowing from the structure of economic development/job creation incentives, Athens may consider establishing a Restoration Tax Abatement (RTA) Program. The RTA model is one of the most accessible incentives for buyers and property managers. The program would have options for commercial properties and owner-occupied residences. For home purchasers the program provides five-year property tax abatement for the expansion, restoration, improvement and development of existing owner-occupied residences. For commercial properties in targeted areas it would allow up to ten-year abatement. This program has been heralded for stimulating community redevelopment, retaining local residents, attracting new homeowners and reducing development costs.

Equipment that would qualify as a part of the structure would also qualify, but acquisition cost or land would not. If an owner's application is approved, they can renovate the property and its assessed value will be frozen at the pre-renovation assessment for five years. The assessed taxes will be based on an assessed valuation of the property prior to the beginning of improvements. Equipment that becomes an integral part of that structure can also qualify for this exemption. The program does not exempt the acquisition cost of the structure. Commercial property owners and homeowners must expand, restore, improve or develop an existing structure in designated Development Districts, with target housing types and for workforce families. Expanded abatements may be considered if property improvement meets LEED standards or adds more handicap accessibility features.

Community stakeholders have expressed concerns about obsolete multifamily properties that are becoming abandoned as new apartment developments are built. This tool could be an effective incentive for the owners of these assets to add more investment and keep the assets from deteriorating.



Case Study – Philadelphia, Pennsylvania and Louisiana Statewide

A similar program is currently operating in Philadelphia where the Board of Revisions and Taxes oversees the program. The incentive is offered for 10 years and is focused on single-family development. The city also offers a short-term version of the program if the goal is preparing a property for sale. In the short-term offering abatement is limited to a maximum 30 months. The State of Louisiana also implemented a renovation abatement program to incent new investment after Hurricane Katrina in 2005.



Tactic 5: Establish a Workforce Housing Trust Fund

Many communities across the United States have invested in some form of housing fund or trust funds dedicated for the use of housing. Housing trust funds have risen in use because they are very flexible tools and able to be shaped to the specific needs of the community. It is recommended that Athens-Clarke County go one step further by creating a Workforce Housing Trust Fund dedicated to assisting the employees at licensed businesses in the county to find affordable and suitable housing options. It is important that it be structured in the form of a trust fund so that the funds are not transitioned for another purpose over time. The three key aspects to setting up a trust fund are determining administrative oversight, defining the specific objectives and identifying a dependable revenue source.

Determining a dedicated stream of revenue would be the intense aspect of following this recommendation. In Georgia, some of the common sources would require collaboration with the General Assembly as any new tax created to fund a public purpose requires a constitutional amendment. This applies if it impacts single or multiple jurisdictions. Some of the commonly tapped resources include development impact fees, inclusionary zoning in-lieu fees, real estate transfer fees, document recordings, unclaimed utility deposits, general fund allocations, federal funds, contributions from local businesses and private donations.

For example, the county could consider adding a nominal fee on transient occupancy as one source of revenue. Similar to a hotel tax but charged on students who do not live on campus. A transient surcharge would potentially be charged to all units rented by the bedroom in the county. This would be charged at apartment complexes or single-family homes. The fee would be charged per bedroom per month. It would be the responsibility of the landlord or property manager to collect this fee and remit on a quarterly basis. There are 6,188 student units in the county. A nominal fee of \$5 per bedroom would generate a minimum of \$371,280 annually for the fund. This is a conservative estimate calculating only one bedroom per unit. An aggressive estimate could generate nearly \$1 million from this one source.

Once created, this Workforce Housing Trust Fund can assist the labor force in a number of ways such as:

- Down payment assistance
- Pre-development costs
- Aging in place remodeling
- Rent subsidies
- Construction guarantees
- Gap financing
- Green and other sustainability improvements
- Foreclosure prevention assistance

The residual impact of implementing this tool is the further support of local businesses and strengthening their commitment to the county.

Case Study – Saratoga, New York Workforce Housing Trust Fund

The City of Saratoga Springs established a Workforce Housing Trust Fund in December of 2004. At the time 27 % of their households were spending more than 50 % of their household income on housing. The sales price of local homes increased 56 % in the previous 5 year period. The lack of available affordable housing was impacting the economic stability of the city due to working families leaving the area and only commuting in for work. The city set a goal to have a \$2 million dollar fund but would not provide any assistance unless the fund balance was above \$500,000. The initial funding sources were \$100,000 annually from their Federal CDBG allocation, major local employers, philanthropic contributions, corporate sponsorships and banking donations. They also added ongoing funding from building permit fees, developer application fees, inclusionary zoning in-lieu fee, and fees from municipal bonding. There was also a real estate transfer surcharge of \$0.50 per \$1000 of sales price. The fund is used to help working families and developers who are adding workforce units.





Tactic 6: Evaluate Inclusionary Zoning

Inclusionary zoning (IZ) is a housing contrivance that ties the production of affordable housing to market-rate driven real estate development. There are approximately 300 municipalities with some form of inclusionary zoning ordinance approved. The premise is to oblige new real estate developments to set aside a certain percentage of units built for income restricted tenants. In turn, the developer would be provided with some form of offset, most often in the form of density bonuses, expedited permitting, or priority inspecting. While it's commonly understood that builder/developers are likely to lose money, the hope is profits can be recouped through these incentives.

These policies are often considered from a public policy standpoint because in theory it offers a means of producing affordable housing without use of public funds. However, opponents are quick to identify that this is essentially a tax on new development. The rising concern is that the weight of this loss or additional cost will be passed on to the end-users. In some markets IZ policies did add more multifamily housing to the market but seemed to increase the rents of the non-set-aside units and increased the price of for-sale housing.

If IZ is to be considered for Athens it must be complimented with other policy efforts and tools. IZ is really more of an affordable housing tool than a workforce housing tool. In Athens what the workforce is asking for is affordable single family homes and rental units, in communities that allow them to self-actualize. It is clear the workforce would prefer not to live adjacent to students and typically the set-aside units are in the same developments.

Inclusionary zoning appears to work best when the housing issues it is designed to solve are regional and not local. If the community overreacts to this it could lead to a further shift in new development happening in nearby counties. As has been demonstrated in this report the development shift out of Athens-Clarke County is a real threat due to the size of the county. Being the smallest county in the state may be working against the community goals in this situation because the land area doesn't exist for Athens-Clarke County to create a buffer within itself.

With this in mind the consultant team would recommend a twist on IZ where it is not unit based. As such, working with developers to shape the community is better than antagonizing a market based situation and creating an unintended consequence. A better approach may be in creating a Workforce Housing Trust Fund where developers in certain hot-zones have to contribute based upon what they develop. This could include both residential and commercial. The trust fund could then provide low interest loans to owners of properties in areas where new development would like to be encouraged. For example targeting obsolete apartments and renovating them.

Tactic 7: Collaborate with Builder/Developers to Remove Workforce Housing Barriers

The development indicators clearly show that the housing demands of local workers are not being met within Athens-Clarke County. The opportunity must be seized to work with the builders of single family homes and other residential developers to meet this unfulfilled need. The home builders and residential developers are key to creating a healthy environment with housing choice. Builders are adept at responding to consumer demand and with guidance can help satiate the workforce desire to live in Athens-Clarke County. Developers are the visionaries and channel their financial or relationship resources into the creation of that vision. Each brings a number of strengths to a community but often works independent of a public purpose. This workforce housing crisis establishes a unique opportunity for Athens-Clarke County to incent them to do what they already do best.

The conditions in Athens's unassisted private housing market may be providing impediments for home builder/developers to construct units for the workforce. These impediments need to be identified and mitigated. For example, public policies requiring larger lot sizes in areas attractive for the workforce appear to be driving builders across the county line where these restrictions don't exist. Policies such as these increase the acquisition cost per unit, reduce the number of units and the result is reduced affordability. Any public policies which exacerbate the income-price gap must be reassessed with unintended consequences, such as these, in mind.

Government has finite resources and cannot service the needs of the citizens alone. There must be public-private collaboration. For-profit developers typically have important attributes that make them attractive. They generally bring significant financial and technical resources to a given deal. The ability of for-profit developers to cover the costs of acquiring land or buildings, as well as the up-front development costs, often allows them to move more quickly than government organizations. If public-private collaboration cannot be brokered to assist with this workforce challenge then nonprofit developers should be encouraged to fill this gap. Nonprofits promote socioeconomic advocacy not only caring where populations are but the reasons for their status.

For either organization to be effective at assisting the county with its workforce goals a number of competencies are necessary. If working jointly on future projects, each partner can bring knowledge, expertise, and resources that meet the needs of the other partner. County government can provide expert knowledge of the community, and can boost local credibility for chosen projects. Builder/developers can provide development expertise, resources, and credibility with lending sources. At the same time, it is important to acknowledge the historic problems and avoid them by recognizing what each expects from a teamwork approach. Athens-Clarke County is the key influencer who could broker a stronger culture of collaboration between these groups. Future incentives should be designed to create synergy between these players and the workforce housing objectives of the county.



Case Study – Seattle, Washington

Seattle has aggressively taken on making their community walkable. In 1999 the community established a nonprofit called Feet First who supports and recognizes efforts to make more walkable places in Washington State. These walkability efforts are not only government funded, but also private initiative efforts. Once the community identified walkability as a priority the development and philanthropic community became more actively involved. Feet First also has a group of Neighborhood Walking Ambassadors who are volunteers that lead walks with local residents and visitors. The goal is to make every community in the state walkable.



Tactic 8: Improve Pedestrian Mobility

Lack of sidewalks suppresses geographic connections and creates isolation. According to our workforce survey, sidewalks are a sought after amenity that also adds value to real property by creating a sense of order in a neighborhood. Unfortunately, Athens is not currently a broadly walkable place. When considering walkable places in Athens only 10 residential areas are considered at least somewhat walkable. The most walkable areas in the county are the areas closest to the UGA campus.

Improving pedestrian mobility is a key recommendation that is a low cost way to reduce or eliminate physical barriers to development. The presence of a system of sidewalks in a neighborhood represents an important infrastructure of interconnections that binds neighborhoods and residents. In its simplest form, the sidewalk is a platform that is shared by all. This shared platform represents a place where each resident has equal rights and access. The sidewalk presents an opportunity for residents to interface, engage and organize across all age groups. The presence of sidewalks in a neighborhood encourages interactions and bridges connections.

The ultimate measure of walkability is whether pedestrians seek out the walking environment, ignore the environment as they pass through it, or actually avoid it because it is perceived as not being walkable or unsafe. When walkable communities are provided, they support walking as a primary means of transportation, support transit and bike mobility options and can also improve the beginning and end of vehicular trips when the driver becomes a pedestrian. Increased walkability will bring the community reduced congestion, wear and tear on roads, air and noise pollution, vehicular crashes, and need for parking. It also increases the health of the community.

Tactic 9: Create Stronger Identities for Neighborhood Areas

Neighborhood identity is an overlooked aspect of creating value for residents, property owners and businesses. Outsiders may have a certain powerful image of a neighborhood in their minds, and residents of that neighborhood may hold conflicting images of that same neighborhood. Those various perceptions of the neighborhood, taken together, are part of a neighborhood's "identity." As you travel throughout Athens there are many quality residential areas but there seems to be a lack of county-wide neighborhood identifiers. In an effort to better define the features and benefits of these residential areas and attract local workers to become a part of it, establishing a clear network of neighborhood areas is recommended.

All community areas have intrinsic character, but when buildings are remodeled, the streetscape is changed, and new residents arrive, that character changes and the area history and identity is erased. In a situation where no recognizable neighborhood identity exists, new areas need to be established or an area is known as notorious Athens-Clarke County Government should be actively involved in determining the names and shaping the reputations. A strong neighborhood identity can accommodate changes, without being rewritten to push aside long-term residents and their voices. Local organizations help build an identity through programs that celebrate the history and character of the community through art, theatre, murals, etc. They empower and maintain that neighborhood's voice on a city and regional level.

This should start by establishing well accepted boundaries for residential areas, giving them names and gateways. Allowing communities to be named based upon subdivisions doesn't make a neighborhood. Neighborhood areas must be more clearly associated with landmarks, culture, businesses and amenities. Once an area is named and boundaries established an effort should be made to align names of area schools, parks and businesses. The importance of enhancing gateways is to help people know when they've transitioned in and out. At every gateway into the jurisdiction there is a sign informing the traveler that they have entered Athens-Clarke County. Every neighborhood area should also be properly designated.

A gateway is also an indicator to the observer of what they can expect as they go further into an area. Just like the front door to a building, the lobby of an office, or the front porch of a home the neighborhood gateway establishes the perception of value and readiness for pleasures or problems that may be found. Debris, disorder, vacancy and neglect at the front door suggest that things only get worse as you go inside. It is clear that the presence of vibrant retail and the management of blighted retail centers in a neighborhood can influence the choices of families and investment decisions of potential investors. The retail nodes are often the gateways into a community. The type of retail and the vitality of the activity provide indicators that the area is either improving or declining. There are vacant storefronts and underutilized buildings in neighborhoods that exacerbate the problem of disinvestment as they make the community appear emptier. Several have industrial buildings that are unsuited for locations that are now primarily residential and/or commercial. The county could emphasize improving target neighborhood entrances from the most common access and egress. A better physical appearance leads to an improved perception of safety. Showcasing distinct features in the neighborhood such as preservation of historic structures, signage, murals or other public art, a community garden foster and sustain a special sense of the target neighborhood reducing barriers, building linkages and increasing demand.

Case Study - Chicago's Gateway Program

Chicago's Gateway Green is dedicated to greening and beautifying Chicago's expressways, gateways and neighborhoods. Founded in 1986 Gateway Green and its partners have helped to improve both the local environment and the quality of life for millions of Chicagoland residents and visitors by improving the gateways into neighborhoods and other public spaces. A 501(c)3 non-profit organization, Chicago Gateway Green improves Chicago's communities through three key programs: the Expressway Partnership, transforming city roadways into landscaped parkways; the International Sculpture Program, beautifying gateways through the installation of public, international art on expressways and at neighborhood entrances; and the Tree Partnership Program, a large-scale tree planting initiative that transforms vacant land into tree-filled green spaces. In addition to the expressways being under state control many of the entrances to neighborhoods come in from state roads. The Illinois Department of Transportation and Chicago Department of Transportation play an integral role in all of Chicago Gateway Green's roadside beautification efforts. This includes monitoring sites, assisting in landscape designs and providing logistical and material support.



Tactic 10: Establish a Workforce Housing Advisory Council

In an effort to develop new policies and to keep the local employers engaged it is recommended that a Workforce Housing Advisory Council be established. The business community is a decision maker regarding the workforce and a direct influencer of the employee base. The council will advise on workforce housing and human resources related issues that create a framework for the labor force to be successful. The group will help design programs and initiatives as well as keep track of commitments being fulfilled.

The council should be coordinated in collaboration with the Athens Chamber with the purpose of one key partnership effort that must be tied to strengthening the working ties between the Community Development and Business/Industry sectors. This should be considered at the local, county and State level Economic Development Agencies. All too often the responsible entities work in silos although having the same geographic area of focus. Community development is the process of making the community a better place to live and work and primarily is fostered by the leadership of public and nonprofit sector players. The business and industry players are in the process of creating prosperity and jobs. This committee will be primarily driven by the needs of housing the workforce and the resulting community benefits.

To have a successful local economy, a community needs both community development and economic development. To have a vibrant one, a rigorous effort must be made to work in an integrated fashion. Community development concentrates on neighborhoods and economic development focuses on industry. This advisory group will help the two entities to become interdependent and reinforce each other. This integrated approach ensures that robust interactions with neighborhoods and business concerns support the overall community and do not undermine reaching the highest potential for Athens. This will help leverage a wide range of resources, skills, and competencies across the business, government and neighborhood groups.



Conclusion

Our extensive analysis of data regarding Athens-Clarke County workers, the housing marketplace and the demographics of households living in counties throughout the region, indicates three challenging circumstances pertaining to workforce housing.

1. There is a growing loss of households with children.
2. There is an increasing gap between income and housing cost.
3. There is a severe deficit in new housing development that is most desired by the workforce.

There is a strong interest and demand to live in Athens-Clarke County, but current conditions prevent the county from taking advantage of that opportunity. Although the student and households without children are growing steadily that growth is masking the migration shifts of households with children who are choosing to reside elsewhere. Athens is solidifying its reputation as a college town which vastly under values everything the community has to offer. Social media and blogs steer families with children to work in Athens but live in surrounding counties. Community stakeholders must reverse that trend and create a balance for students and families to effectively co-exist.



The primary reason that we predict a strong demand for new single family housing is the growth in home sales in neighboring counties at a 4-to-1 ratio. We also predict the existence of potential demand for rental housing because all apartment complexes have low vacancy rates. This lack of supply and feverish demand is fueling the pricing in the locality. There is a clear income price gap in Athens. Sixty-five % of the households in Athens-Clarke County earn less than \$50,000. About 36.7% of the households fall below the poverty level. With the recent housing market rebound, the high cost of housing near major employment centers remain prohibitive for many workforce households. The resulting income-housing gap has created or exacerbated a number of unwanted circumstances. Addressing the housing needs of workforce households near major employment centers and large job sites will help to close this gap. Creating viable housing options for these households will give a considerable pool of residents and employees the opportunity to live closer to their workplaces and robust local services. Creating these housing opportunities can improve the competitiveness of the county as an attractive place in which to work and live.

The APDS consultant team hopes that the Athens Workforce Housing Assessment will spur the desired evolution of the community to its desired level. This report is designed to be an illustrative final report that can be used by area residents, public agencies, homebuilders, local non-profit developers, for-profit developers, employers, and investors of all types to fuel future development projects. Now that the research process is complete, and workforce housing wishes are identified, the strategic implications of having this knowledge in one accessible place should empower individuals, organizations and collaborations to step forward in concert with Athens-Clarke County to continue **Working for the Best.**

APPENDIX A:

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APPENDIX B:

Workforce Housing Study Team

APD SOLUTIONS PROJECT MANAGEMENT

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David Ogunsanya, Athens Land Trust
Spencer Frye, Athens Habitat for Humanity
Yasmine Payne, Berkshire Hathaway
Alice Kinman, Athens-Clarke Land Bank Authority
Hank Joiner, Athens Planning Commission
Jared York, Athens Home Builder Association
Patrick Allen, University of Georgia
Jerry Kawalski, University of Georgia
Doc Eldridge, Athens Area Chamber of Commerce

Athens-Clarke County Officials

Mayor Nancy Denson
District 1 - Sharyn Dickerson
District 2 - Harry Sims
District 3 - Melissa Link
District 4 - Allison Wright
District 5 - Jared Bailey
District 6 - Jerry NeSmith
District 7 - Diane Bell
District 8 - Andy Herod
District 9 - Kelly Girtz
District 10 - Mike Hamby

Manager, W. Alan Reddish
Assistant Manager, Blaine Williams



About the Consultant Team

APD Solutions Consulting (APDS) is an award winning community and economic development firm providing services and strategies that impact distressed and underserved areas across the United States. Our clients are public and private sector organizations who are seeking ways to revitalize neighborhoods or grow local industry that result in vibrant and competitive places. Our mission is to design strategies and assemble partners that will create socially responsible development, new investment growth, sustainability and quality of life in the communities we serve. To ensure that we are effective in fulfilling our mission, APDS provides the following services:

1. **Advisory Services** – Our advisory services help our clients go from concept to completion. We provide evaluation, advice, planning, training, information, support and resources that help our clients achieve the outcomes they desire. Our team develops tailored approaches for each client based upon market realities and best practices, not textbook hypothesis.
2. **Program Management Services** – Our program management services help our clients go from overwhelmed to oversight. We implement effective programs through excellence in analysis, structuring, execution, compliance and reporting. Our service reflects our longstanding exposure to the laws and regulations that govern federal, state and local housing programs and economic development incentives.
3. **Development Services** – Our development services help our client go from talk to tangible. We execute a full range of acquisition, construction/rehab, asset management, marketing, feasibility, finance, developer, and disposition functions for the residential and commercial real estate industry. Our hands-on team provides these services turn-key for clients or our in-house portfolio allowing us to fully understand and mitigate risk.

Our experience in community and economic development has resulted in the creation of a unique service provider. Our staff brings nearly 300 years of combined industry experience to assist in responding to the decline of communities and restore the framework that makes neighborhoods desirable. The APDS team is committed to helping build resilient and prosperous communities wherever we are engaged.

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If you're not a part of the SOLUTION...

...then you're a part of the problem



Athens-Clarke County Workforce Housing Study

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