

Preserving the Mixed Income Character of Grant Park



Prepared for the Quality Growth Resource Team, Grant Park

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Executive Summary

One of the goals of the Quality Growth resource team organized by the Department of Community Affairs (DCA) for Grant Park is to investigate the retention of the mixed-income character of the neighborhood by preserving or developing affordable housing. This report addresses this issue by (1) providing a description of the current demographic character of the Grant Park neighborhood, and (2) outlining policy recommendations for the retention of the neighborhood character.

Housing Needs Measures

There are three predominate measures used to analyze the housing needs of a specific area – overcrowding, lack of facilities, and cost burden. Persons per inhabitable room measure overcrowding, with the standard being 1.01 persons per room. Increased levels of persons per room indicates either an overall shortage of housing in an area, or more plausible, a shortage of affordable housing. Lack of adequate plumbing facilities is a way to measure the quality of the housing stock in a particular area. Lastly, cost burden is measured by the percentage of income expended to housing. This measure evaluates the affordability of housing by tenure, using HUD's definition of affordability as 30% of housing income to be expended on housing.

Highlights of Demographic Analysis

Overcrowding

Grant Park has an imbalance in overcrowding when analyzed by tenure. While only 1% of owner-occupied units are overcrowded in Grant Park, renter-occupied rooms have 7% overcrowding. The disparity indicates the lack of affordability of rental units. When compared to the city of Atlanta and the state, overcrowding in owner-occupied units is far less of a concern. Seven percent of the housing units in the city are overcrowded and 5% experience the same conditions in the state.

Lack of Facilities (Plumbing)

The US Census tabulates 35 housing units as lacking plumbing facilities in Grant Park, which is 1% of total housing units, this percentage is consistent with the city and state. Many of these housing units are most probably the result of an existing housing unit being further divided, so that not all the created units have individual access to plumbing facilities.

Cost Burden

Definitive signs of gentrification emerge from the analysis of gross rent, gross rent as a percentage of household income and value of owner-occupied units. Adjusted gross median rent has increased by 13% from 1980 to 2000. The effects on affordability are apparent in the cost burden to residents, 46% (503) renters meet or exceed the affordability threshold set by HUD. More telling is the percentage of household income spent on housing; 56.7% of renters in units with household incomes of less than \$10,000 have housing expenses exceeding 30%, 72.6% of renters in units with household incomes less than \$20,000 surpass this same benchmark.

An analysis of owner-occupied housing broadens the investigation of affordability in Grant Park. Over one-half of all housing units in Grant Park are owner-occupied. Less than 20% of the owner-occupied units are valued below \$124,999. The majority of the housing units (53%) in Grant Park range in value from \$175,000 to \$299,999

Highlights of Policy Recommendations

Gentrification, as defined by the Gentrification Task Force, is "an increase in property values resulting from development that often increases economic tensions and displacement of low income homeowners and renters of all age groups within the neighborhood as a well as results in a change in the character of the neighborhood."¹ The demographic analysis provides indisputable evidence that Grant Park is undergoing gentrification. As a result, there is an urgent and rapidly increasing need for affordable housing. If this need is not met, the displacement of low and moderate incomes families is immanent. In order to preserve the mixed income character of the neighborhood, some intervention is necessary to protect the interests of low-income households and secure some housing for the low-income population. Although gentrification for new property owners in the community is economically rewarding, the damages that can be incurred by original residents are great. These include displacement, loss of affordable housing, and the destruction of sociological communities.

Displacement of low-income and elderly residents who are unable to pay rising property taxes is a problem associated with gentrification. The presence of these individuals within the community is important in preserving the pre-existing social community. Through tax assistance and tax exemption programs low-income and elderly households are able to remain in their community while surrounding property values increase.

Increasing the amount of affordable housing in the community will require the preservation of current affordable units as well as providing funding to make home-ownership feasible for low income residents. The redevelopment of existing units to affordable rental units is also possible through programs offered by community development organizations that are dedicated to creating housing opportunities for people of all economic backgrounds.

Utilization of all available resources to preserve and create affordable housing will require the involvement of community development corporations, non-profits, government programs, and the support and involvement of the Grant Park Neighborhood Association. Creating and preserving affordable housing, curtailing displacement, and fostering a renewed sense of community in Grant Park will facilitate the preservation of the mixed use character of the neighborhood and the diverse sociological community that resides within.

¹ Atlanta City Council, "Report for the Gentrification Task Force." 2001

Demographics and Housing Profile

Introduction

Grant Park is a unique Atlanta neighborhood with the headquarters of the Atlanta Preservation Center located in its boundaries. Located south of downtown, its community enjoys a rich history and an active neighborhood association desiring to preserve its unique character. Beginning in the 1970s housing pressures began to challenge the neighborhood and promote mixed-income development. The direction of growth is still an issue for Grant Park as the demographics and housing stock of the neighborhood continues to shift. This section of the report will provide an analysis on these demographic changes, including highlights on population, housing, and income.

Trends in Population

Over the last 20 years, Grant Park's population has varied, however, since 1980 the neighborhood has declined by 4%, as shown in Table 1.1. These are the early effects of gentrification, as higher-income residents move into the neighborhood and low-income residents move out, overcrowding issues are diminished, thus population decreases.

Table 1.1: Grant Park Population Distribution, 2000²

	1980	1990	2000
White	3,681	3,066	3,377
<i>% of Total</i>	55.7%	52.7%	53.3%
Black	2,636	2,550	2,496
<i>% of Total</i>	39.9%	43.9%	38.4%
Asian	28	0	56
<i>% of Total</i>	0.4%	0.0%	0.9%
Other	---	---	471
<i>% of Total</i>	---	---	7.4%
Total	6,604	5,815	6,340

Source: DAPA

The racial and ethnic composition of Grant Park is generally diverse, with a slight majority being white. The white population has decreased slightly, as well as the African-American population (Table 1.1). The most significant increase has been within the Hispanic population, which has increased by 23% in the last 20 years (Table 1.2).

² Population data from 1980 to 2000 utilizes different racial and ethnic categories for population breakdown.

Table 1.2: Grant Park Hispanic or Latino Population Distribution, 2000

	1980	1990	2000
Hispanic	259	199	337
<i>% of Total</i>	4%	3%	5%
<i>% Change</i>	---	-30%	41%

Source: DAPA

In regards to trends in age distribution, the population of Grant Park has significantly increased within the 18 to 64 year bracket, while children and the elderly have decreased (Table 1.3). The presence of children has decreased by 64% and they currently account for only 15 % of the population. Likewise, the elderly population has decreased by 128% in the last 20 years. These trends have accelerated in the last decade, 48% and 63% decreases, respectively (Table 1.3).

Table 1.3: Age Distribution By Cohorts

	1980	1990	2000
Children (under 18)	25.2%	22.6%	15.4%
Ages 18-64	59.3%	66.3%	77.8%
Elderly (over 65)	15.5%	11.1%	6.8%

Source: DAFA

The varied demographic patterns of Grant Park can be explained by two waves of development within Grant Park. In the 1980s Grant Park experienced the ramifications of gentrification, the reduction of households is reflected in the consolidation of units. Furthermore, the residents moving into Grant Park had smaller household sizes, thus the decrease in the presence of children. The nineties brought about an increase in households and of population in response to infill housing construction, particularly concentrated in the area above I-20.

Table 1.4 shows the composition of the population by sex. For 20 years, the percentage of males has increased, altering the majority sex of the neighborhood from female to male. Compared to the city of Atlanta and the state, males are disproportionately represented in Grant Park (Table 1.5).

Table 1.4: Sex

	1980	1990	2000
Female	3,412	2,902	2,957
<i>% of total</i>	53.8%	45.8%	46.6%
Male	3,192	2,913	3,383
<i>% of total</i>	50.3%	45.9%	53.4%

Source: DAPA

Table 1.5: Comparisons of Percentages for Sex, 2000

	Grant Park	Atlanta	Georgia
Male	53.4%	50.0%	51.0%
Female	46.6%	50.0%	49.0%

Source: DAFA

Trends in Households

The trend in total households is consistent with the changes in population. From 1980 to 1990 there was a 5% decrease in total households, the following decade witnessed a 19% increase.

Table 1.6: Total Households 1980 - 2000

	1980	1990	2000
Total Households	2,314	2,207	2,733

Source: DAPA

According to the US Census, "A household consists of all the people who occupy a housing unit."³ Therefore, a household could be persons living alone, including elderly (nonfamily) or single-parents or married-couples (family).⁴ Family households account for 52% of all households. Table 1.7 illustrates the composition of these family households in Grant Park.

Table 1.7: Family Households as Percentage of Total Households 1980 - 2000

	1980	1990	2000
Family Households	1,463	1,204	1,425
<i>Percent Family Households</i>	63%	55%	52%
Married Couple Households	969	653	887
<i>Percent Married Couple</i>	66%	54%	62%
Single-Parent Households	178	246	538
<i>Percent Single Parent</i>	12%	20%	38%

Source: US Census

The proportion of family households decreased from 1980 to 2000, from 63% to 52% (1,463 to 1,425). Married-couple households have remained fairly constant over two decades, decreasing by only 8% (969 to 887, respectively). Single-parent households have increased significantly, moving from only 12% of the total households to 38% (Table 1.7).

Other family households, which include single-parent households, are illustrated in Table 1.8. The second column, describes the total of other family households, 82% are female

³ US Census Current Population Survey (CPS) - Definitions and Explanations. www.census.gov

⁴ Single-parent households including householders, male and female, with own children under 18 years old as well as no own children under 18 years old.

householders. Less than one-half of these female householders with no husband present are raising their own children (46%). This is consistent with demographic characteristics of those that gentrify.

Table 1.8: Other Family Households, 2000

	Total	% of Total	% of Household Type
Other family including Single-Parent Households	538	---	---
Male householder, no wife present:	96	18%	100%
with own children under 18 years	37	---	39%
no children under 18 years	59	---	61%
Female householder, no husband present:	442	82%	100%
with own children under 18 years	236	---	54%
no children under 18 years	205	---	46%

Source: US Census

Trends in Income, Poverty Levels, and Employment

Over one-quarter of the households in Grant Park reported income less than \$24,999 in 1999. Compared to the city of Atlanta and the state of Georgia, Grant Park has fewer households with incomes less than \$24,999 than the city (10% less) and household incomes consistent with the state percentage. Furthermore, the median income for Grant Park is lower than either the Atlanta metro or the MSA (Table 1.9). More revealing is the distribution of income by race. The demographics of the neighborhood become clearer in this breakdown of household income. Table 1.10 shows that African-Americans are disproportionately represented within the lowest income bracket; over one-half of these households earned less than \$24,999 in 1999. Conversely, all other races within Grant Park have median household incomes below those in the Atlanta metropolitan region (Table 1.9). This indicates the vulnerability of the African American population to the further gentrification of Grant Park and the eroding of affordable housing within the neighborhood.

Table 1.9: Comparison of Household Income, 2000

	Grant Park	Metro ⁵	MSA
Median Household Income	\$45,462	\$59,000	\$51,948

Source: DAPA, Atlanta Regional Commission, US Census

⁵ The Atlanta Regional Commission defines the Atlanta metropolitan region to include: Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Fulton, Gwinnett, and Henry.

	White	Black	Hispanic	Other	Total
Less than \$24,999	18%	46%	32%	38%	28%
\$25,000 to \$49,999	28%	27%	21%	4%	27%
\$50,000 to \$74,999	19%	14%	17%	17%	17%
\$75,000 to \$99,999	15%	2%	15%	30%	11%
\$100,000 to \$149,999	16%	9%	10%	11%	13%
\$150,000 or more	4%	2%	5%	0%	3%
Total	100%	100%	100%	100%	100%
Median Household Income	\$55,094	\$28,548	\$46,591	\$51,250	\$45,462

Source: DAPA

To gain a greater understanding of the household income distribution in Grant Park, it is essential to analyze the existing poverty status. According to the US Census Bureau:

"Following the Office of Management and Budget's (OMB's) Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being 'below the poverty level.'"⁶

Table 1.11 details poverty status for families. As the table shows, only 17% of households in Grant Park report incomes below the poverty level. Thirty-six percent of households below the poverty level are in family households, with the majority relatively equally distributed among householders with no spouse present.

	Poverty	% of Total and Type of Household	% of Family Household
Income in 1999 below poverty level:	1,243	17%	---
Family households	451	36%	100%
Married-couple family	221	---	49%
Other family	230	---	---
Male householder, no wife present	104	---	23%
Female householder, no husband present	126	---	28%
Income in 1999 at or above poverty level:	5,983	83%	---
Family households	3,438	41%	100%
Married-couple family	2,431	---	41%
Other family	1,007	---	---
Male householder, no wife present	162	---	7%
Female householder, no husband present	844	---	35%

Source: US Census

⁶ Poverty level classification can be found at www.census.gov, see Appendix for complete chart.

A more descriptive picture of poverty status is seen when poverty status is disaggregated by race. Of those who are below the poverty level more than one-half are African-American (54%), White follows with 26%, Hispanic with 17% and Other constitutes 3%. Furthermore, when the total number of persons in poverty by race is compared to the total population an interesting fact emerges, 50% of the Hispanic population is below the poverty level. Black and Other each have just under one-quarter of their total population below the poverty level, 23% and 24%, respectively (Table 1.12). One-twelfth of the white population is poor.

Table 1.12: Poverty Status by Ethnicity, 2000

Ethnicity	Total		% of	
	Poverty	Population	Population	Poverty
White	261	3,377	8%	26%
Black	550	2,436	23%	54%
Hispanic	170	337	50%	17%
Other	33	134	24%	3%
Total Persons	1,013	6,340	16%	100%

Source: DAPA

While the Hispanic population's median household income was relatively comparable with White and Other households (Table 1.9), Hispanics are disproportionately represented in poverty status. The US Census uses households as the unit of measure in tabulating household income, whereas the number of persons in households are used to measure poverty status. This measurement difference provides an indication of overcrowding within Hispanic households. (Overcrowding will be discussed later in this section.)

Alarming is the limited use of public assistance among those who are eligible in Grant Park. Table 1.13 states that while 30% of households in Grant Park are eligible for public assistance, only 3% (28) receive some sort of support.

Table 1.13: Public Assistance Income For Households, 1999

Total	838
With public assistance	28
Without public assistance	809

Source: US Census

Trends in Housing, Rents and Mortgages

Housing units have fluctuated in the last 20 years, corresponding with the wavering population. However, the physical character of the neighborhood has changed very little over that time period. The Grant Park neighborhood is still dominated by single-family detached units (65%). For other types of housing units, as the number of units increase their presence in the neighborhood decreases, as illustrated in Table 1.14.

Table 1.14: Units in Structure, 2000

	Total	%
Housing Units	2,755	
1, detached	1,794	65%
1, attached	87	3%
2	198	7%
3 or 4	228	8%
5 to 9	133	5%
10 to 19	91	3%
20 to 49	59	2%
50 or more	154	6%
Mobile home	5	0%
Boat, RV, Van, etc.	6	0%

Source: DAPA

Tenure in Grant Park is approximately evenly split among owners and renters (54% to 46%). Disaggregating tenure by race provides a clearer understanding of ownership within Grant Park. The white population holds 75% of owned units; African-Americans hold 22% percent. Renter-occupied units are predominately held by the white population, which is indicative of their dominant presence. Most telling is the ratio of ownership held by each race. Ownership is dominant for White (2:1) and those of two or more races (3:1), whereas rental tenure is dominant for African-American ownership (4:3), Asian (1:5), and Some other race alone (1:2), as derived from in Table 1.15.

Table 1.15: Tenure Distribution

	Total	%
Owner occupied	1,488	---
White	1,110	75%
Black or African American	330	22%
American Indian and Alaska Native	0	0%
Asian	0	0%
Native Hawaiian and Other Pacific Islander	0	0%
Some other race alone	12	1%
Two or more races	38	2%
Renter occupied	1,267	---
White	574	45%
Black or African American	450	36%
American Indian and Alaska Native	0	0%
Asian	5	0%
Native Hawaiian and Other Pacific Islander	0	0%
Some other race alone	25	2%
Two or more races	12	1%

Source: DAPA

Despite the overall high quality of the neighborhood, there are some units lacking plumbing facilities. As displayed in Table 1.16, thirty-five (35) housing units lack plumbing facilities.

	Grant Park		Atlanta	Georgia
Total Housing Units	2,755			
Lacking Plumbing Facilities	35	1%	1%	1%

Source: US Census

Table 1.17 examines tenure by plumbing facilities and occupants per room. All owner-occupied units have complete plumbing facilities, 1% of renter-occupied units lack complete plumbing facilities. It is essential to note the difference in the reported housing units lacking plumbing facilities between Table 1.16 and Table 1.17. The number of housing units lacking plumbing facilities is 35, but sufficient data regarding tenure and overcrowding was not available to categorize the 22 units not reported in Table 1.17.

	Total	% of Plumbing Facilities	% of Tenure
Owner occupied:	1,488	---	100%
Complete plumbing facilities:	1,468	100%	---
1.00 or less occupants per room	1,468	---	99%
1.01 to 1.50 occupants per room	6	---	0%
1.51 or more occupants per room	14	---	1%
Lacking complete plumbing facilities:	0	0%	---
1.00 or less occupants per room	0	---	0%
1.01 to 1.50 occupants per room	0	---	0%
1.51 or more occupants per room	0	---	0%
Renter occupied:	1,267	---	100%
Complete plumbing facilities:	1,254	99%	---
1.00 or less occupants per room	1,158	---	91%
1.01 to 1.50 occupants per room	40	---	3%
1.51 or more occupants per room	56	---	4%
Lacking complete plumbing facilities:	13	1%	---
1.00 or less occupants per room	13	---	1%
1.01 to 1.50 occupants per room	0	---	0%
1.51 or more occupants per room	0	---	0%

Source: US Census

Measuring overcrowding is done in terms of occupants per room when there is more than 1.01 persons per habitable room. One percent of owner-occupied units are considered overcrowded, however, 7% of renter-occupied units are overcrowded.

Table 1.18 looks at occupants per room for occupied housing units in Grant Park, the city of Atlanta, and Georgia. Compared to the city and the state, Grant Park has less

overcrowding. Only 1% of occupied housing units in Grant Park are overcrowded, while 7% are overcrowded in Atlanta and 5% in Georgia.

	Grant Park	Atlanta	Georgia
Owner occupied:			
1.00 or less	98%	93%	95%
1.01 to 1.50	0%	4%	3%
1.51 or more	1%	3%	2%

Source: US Census

Housing units are classified as occupied or vacant. Occupied units are classified as either owner-occupied or renter-occupied. Table 1.19 examines these attributes. Ninety percent

(2,840) of all housing units were occupied in 2000. Only 10% of housing units were reported as vacant.

Total Units	Occupied	%	Vacant	%
2,755	2,480	90%	275	10%

Source: DAPA

The distribution of gross rent for renter-occupied housing units is an affective first step in evaluating the affordable housing need within Grant Park. The relationship between incomes and rent is better illustrated by examining gross rents and gross rent as a percentage of income.

Total	1,089	%
With Cash Rent	1,073	99%
Less than \$100	37	3%
100 to 149	4	0%
150 to 199	14	1%
200 to 249	24	2%
250 to 299	6	1%
300 to 349	64	6%
350 to 399	45	4%
400 to 449	50	5%
450 to 499	31	3%
500 to 549	79	7%
550 to 599	55	5%
600 to 649	40	4%
650 to 699	46	4%
700 to 749	46	4%
750 to 799	75	7%
800 to 899	122	11%
900 to 999	75	7%
1,000 to 1,249	171	16%
1,250 to 1,499	45	4%
1,500 to 1,999	37	3%
2,000 or more	9	1%
No cash rent	17	2%
Median Rent	\$745	

Source: DAPA

Only one-quarter of renter-occupied units are acquired with cash rent under \$500. One-half pay less than \$750 for cash rent. Noteworthy is the fluctuation of median gross rent in Grant Park over the past 20 years. When adjusted for inflation, the changes in cash rent are made more apparent. From 1980 to 1990, a negative growth in rental rates occurred, but in the last decade median gross rent increased by 29% (Table 1.21).

	1980	1990	2000
Median Gross Rent	\$312	\$438	\$745
Adjusted Median Gross Rent (1980 Dollars)	\$312	\$276	\$357
Percent Change in Adjusted Gross Rent		-11%	29%

Source: DAPA

In order to analyze the impact of increased median gross rent it is necessary to evaluate the cost burden⁷ of renters. Those households expending more than 30% of their income on housing are said to be cost burdened in accordance with HUD definitions. In Grant Park, 46% of renters (503) meet or exceeded this threshold (Table 1.22). Furthermore, less than one-quarter (272) pay less than 20% of their household income.

	Total	%
Less than 10.0 percent	30	3%
10.0 to 14.9 percent	115	11%
15.0 to 19.9 percent	127	12%
20.0 to 24.9 percent	172	16%
25.0 to 29.9 percent	83	8%
30.0 to 34.9 percent	114	10%
35.0 to 39.9 percent	134	12%
40.0 to 49.9 percent	73	7%
50.0 percent or more	182	17%
Not computed	59	5%

Source: US Census

Evaluating the percentage of household income expended for rental-housing is a final step in investigating the availability of affordable renter-occupied housing in Grant Park. Table 1.23 disaggregates income by the expenditures on rent.

⁷ HUD's definition of affordability is "for a household to pay no more than 30% of its annual income on housing. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care." www.hud.gov.

Two aspects of the stock of renter-occupied units are illustrated in Table 1.23, the distribution of income within renter-occupied housing and the percentage of household income expended for rent. First, slightly less than 60% (1,237) of total renter-occupied units have a household income of less than \$35,000. Even more striking, 35% of total rental units (734) have an income of less than \$20,000.

Most revealing are the measures of affordability. Utilizing 30% of total income expended toward housing as a benchmark for affordability, all income brackets except the latter have tenants spending over this threshold. Particularly alarming are the lower brackets of income; 56.7% of renters in units with household incomes of less than \$10,000 have housing expenses exceeding 30%, 72.6% of renters in units with household incomes less than \$20,000 surpass this same threshold. The trend begins to decrease in the next income bracket, less than \$35,000, but it still remains that more than one-half (56.9%) of this income group spends greater than 30% on housing. An even distribution of tenure, as demonstrate in Table 1.15, is misleading, in that at first impression it exhibits a neighborhood with varied housing options and affordability.

Table 1.23: Household Income in 1999 as Gross Rent as a Percentage of Household Income in 1999

	Total	% of Total	
		Housing Units	Household Income ³
Total:	2,097	100.0%	—
Less than \$10,000:	402	19.2%	77.4%
Less than 20 percent	39	—	9.7%
20 to 24 percent	7	—	1.7%
25 to 29 percent	37	—	9.2%
30 to 34 percent	12	—	3.0%
35 percent or more	216	—	52.7%
\$10,000 to \$19,999:	332	15.8%	98.5%
Less than 20 percent	34	—	10.2%
20 to 24 percent	20	—	6.0%
25 to 29 percent	32	—	9.6%
30 to 34 percent	23	—	6.9%
35 percent or more	218	—	65.7%
\$20,000 to \$34,999:	503	24.0%	97.6%
Less than 20 percent	91	—	18.1%
20 to 24 percent	82	—	16.3%
25 to 29 percent	32	—	6.4%
30 to 34 percent	80	—	15.9%
35 percent or more	206	—	41.0%
\$35,000 to \$49,999:	404	19.3%	100.0%
Less than 20 percent	106	—	26.2%
20 to 24 percent	105	—	26.0%
25 to 29 percent	72	—	17.8%
30 to 34 percent	74	—	18.3%
35 percent or more	47	—	11.6%
\$50,000 to \$74,999:	267	12.7%	100.0%
Less than 20 percent	157	—	47.7%
20 to 24 percent	88	—	26.7%
25 to 29 percent	50	—	17.4%
30 to 34 percent	0	—	0.0%
35 percent or more	12	—	4.2%
\$75,000 or more:	169	8.1%	85.3%
Less than 20 percent	153	—	90.5%
20 to 24 percent	8	—	4.7%
25 to 29 percent	0	—	0.0%
30 to 34 percent	0	—	0.0%
35 percent or more	0	—	0.0%

Source: US Census

However, the current analysis clearly presents a more

³ Percentage of Household Income will not all equal 100% because "Not computed" has been omitted from the table.

fine tuned representation of the conditions of affordability. It is apparent that affordable renter-occupied housing within Grant Park is significantly lacking, especially among the lower income brackets.

Table 1.24: Value for All Owner-occupied Housing Units

Total	1,463	%
Less than \$10,000	0	0%
10,000 to 14,999	0	0%
15,000 to 19,999	0	0%
20,000 to 24,999	5	0%
25,000 to 29,999	5	0%
30,000 to 34,999	0	0%
35,000 to 39,999	0	0%
40,000 to 49,999	10	1%
50,000 to 59,999	48	3%
60,000 to 69,999	17	1%
70,000 to 79,999	14	1%
80,000 to 89,999	67	5%
90,000 to 99,999	41	3%
100,000 to 124,999	77	5%
125,000 to 149,999	118	8%
150,000 to 174,999	128	9%
175,000 to 199,999	208	14%
200,000 to 249,999	321	22%
250,000 to 299,999	249	17%
300,000 to 399,999	121	8%
400,000 to 499,999	28	2%
500,000 to 749,999	0	0%
750,000 to 999,999	7	0%
1,000,000 or more	0	0%

Source: DAPA

An analysis of owner-occupied housing broadens the investigation of affordability in Grant Park. Over one-half of all housing units in Grant Park are owner-occupied. However, the distribution of value is very telling. Less than 20% of the owner-occupied units are valued below \$124,999. The majority of the housing units (53%) in Grant Park range in value from \$175,000 to \$299,999 (Table 1.24). This grouping of housing value could be the result gentrification, however an analysis of changes in median home value will better articulate this relationship.

Median home value has been positively trended over the past 20 years, but dramatic increases have been seen in the last decade. When adjusted for inflation to 1980 dollars, the median home value has increased by 108% (Table 1.25). This is a definite indication that the pressures of gentrification are changing the character of the housing market in Grant Park.

Table 1.25: Median Home Value for Owner-occupied Housing Units

	1980	1990	2000
Median Home Value	\$33,548	\$72,600	\$199,219
Adjusted Median Home Value (1980 Dollars)	\$33,548	\$45,771	\$95,329
Percent Change in Adjusted Value		36%	108%

Source: DAPA

When this is compared to the city of Atlanta and the state, as in Table 1.26, Grant Park has a significantly greater amount of owner-occupied housing in the value range from \$150,000 to \$299,999; 62% of owner-occupied housing in Grant Park falls within this range, while only 20% is within the range for Atlanta, 23% for Georgia. More stunning is that only 27% (402) owner-occupied units are valued below \$149,999, while 54% of Atlanta's housing units are within this range, and 70% of Georgia's.

Table 1.26: Value for all Owner-occupied Housing Units

	Grant Park	%	Atlanta	Georgia
Less than \$50,000	20	1%	9%	10%
\$50,000 to \$99,999	187	13%	35%	34%
\$100,000 to \$149,999	195	13%	10%	26%
\$150,000 to \$199,999	336	23%	8%	13%
\$200,000 to \$299,999	570	39%	12%	10%
\$300,000 to \$499,999	149	10%	15%	5%
\$500,000 to \$999,999	7	0%	9%	2%
\$1,000,000 or more	0	0%	3%	0%
Median Value	---	\$199,219	\$130,600	\$111,200

Source: DAPA

The median value for Grant Park (\$199,219) is substantially higher than the median values for the city (\$130,600) and the state (\$111,200). The larger proportion of high priced unit in Grant Park illustrates the critical need for affordable housing options within the neighborhood.

Conclusions

Grant Park is a neighborhood in the advanced stages of gentrification. The data has given evidence of pressures that have began to shift the demographics of the neighborhood in terms of population, households, and housing units. The following are conclusions extracted from the data:

- Grant Park is predominately white in terms of race (53%) with a growing Hispanic population (40% increase). Population growth is concentrated in the 18 to 64 years of age cohort (78%), and a majority of the population are males (53%).
- Family households have significantly decreased, with an increasing number of single parent households (38%).
- Black households have a significantly lower median household income (\$45,462) than all other ethnicities. Furthermore, the black population is disproportionately represented in poverty among those in poverty. Among total population by race, Hispanics have the highest poverty level (50%).

- Seven percent (7%) of the housing units are overcrowded.
- Tenure in Grant Park is majority owner-occupied housing units (54%), however, white ownership is disproportionately higher than all other races.
- Median gross rent and median home value both have significantly increased in the past decade (29% and 108%, respectively), further indicating signs of gentrification and loss of affordable housing within Grant Park.
- Forty-six percent (46%) of those in renter-occupied units are cost burdened. Further, only 27% of housing values are below \$149,999.

Policy Recommendations

Introduction

Gentrification, as defined by the Gentrification Task Force, is "an increase in property values resulting from development that often increase economic tensions and displacement of low income homeowners and renters of all age groups within the neighborhood as a well as results in a change in the character of the neighborhood."⁹ Grant Park is a community that has been gentrifying for the last two decades. This has resulted in both positive and negative changes in the character and composition of the community. The present mixed income structure of the neighborhood is indicative of the current stage of gentrification that has been achieved thus far. In order to preserve the mixed income character of the neighborhood, some intervention is necessary to protect the interests of low-income households and secure some housing for the low-income population. Although gentrification for new property owners in the community is economically rewarding, the damages that can be incurred by original residents are great. These include displacement, loss of affordable housing, and the displacement of sociological communities.

Displacement of low-income and elderly residents who are unable to pay rising property taxes is a problem associated with gentrification. The presence of these individuals within the community is important in preserving the pre-existing social community. Elderly household faces problems due to fixed incomes as well as an inability to maintain their property due to age-related physical impediments and illness. Low-income families face similar problems due to lack of funds for routine repairs after taxes on their property increase. Some expenses have to be eliminated, and often these may involve the maintenance of property. In communities undergoing gentrification, all residents can enjoy the benefits of tax assistance programs, some directly and others indirectly. Low-income and elderly households are able to remain in their community while surrounding property values increase.

Currently there are few substantial affordable rental apartment complexes in the Grant Park Community. The neighborhood contains 15 multi-family affordable housing properties, defined by a per unit value of less than \$40,000. The breakdown of the number of units in each of these properties is as follows: 3 duplexes, 5 quads, one 8 unit, one 10 unit, one 12 unit, one 15 unit, one 18 unit, one 72 unit, and one 82 unit. Combined, there are a total of 203 affordable housing units in Grant Park, comprising 7.37% of the total housing units.¹⁰ The minimum need for affordable units, as expressed by the percent of households with household incomes below poverty level, is 17%, more than twice the existing affordable housing stock. There are numerous units in the surrounding area including Grant Park Apartments, Fulton Cotton Mill, Grant Way/Grant Place, and the now closed Capitol Homes. Little space within the community borders for any type of large-scale low income or mixed-income developments is available. As a result, increasing the amount of affordable housing in the community will require the

⁹ Atlanta City Council, "Report for the Gentrification Task Force." 2001

¹⁰ Information provided by Max Creighton at the Community Design Center.

preservation of current affordable units as well as providing funding to make home-ownership feasible for low-income residents. The redevelopment of existing units to affordable rental units is also possible through programs offered by community development organizations who are dedicated to creating housing opportunities for people of all economic backgrounds.

The preservation of the mixed income character for the community will require the inclusion of all members of the community, regardless of income, into the community planning and visioning process. The participation of renters is vital in the formation of a community voice. Mixed income neighborhoods include renters by definition because many low-income households are unable to afford home ownership, which is evidenced in Grant Park. Recruiting and encouraging the participation of these residents will benefit the association. The voice of the low-income residents must be heard in order to ensure their presence in the community. Additionally, their participation will give them a vested interest in the development of the neighborhood and increase their concern with the condition and well being of the area.

Housing for low-income residents can be preserved through tax exemption and reduction programs and created through an increased amount of renter occupied units. Developing a substantial amount of rental properties often entails the construction of multi-unit apartment complexes that require large tracts of land. Unfortunately, large plots of land are not available in the Grant Park area. Additionally, the current zoning classifications for Grant Park limit the neighborhood to low density residential, which is defined as 0-8 dwelling units per acre. There are two small tracts that are zoned for medium density residential, or 0-19 dwelling per acre, but are presently developed.¹¹ This restricts any

new housing development to single-family homes or small multi-family units. Furthermore, the zoning regulations for the Grant Park Historic District clearly articulate that this type of housing is not permitted in the community. The intent of the creation of this overlay district specifically is "to promote the educational, cultural, economic and general welfare of the city by preserving the district's architectural integrity,



streetscape pattern and cultural heritage."¹² Furthermore, the historic character of the neighborhood is described to be characterized by single-family homes in which all new development must be compatible both in design and size. Clearly, multi-unit apartment complexes do not fit in with the late 19th and early 20th century layout and architectural

¹¹ City of Atlanta, "NPU W 15 Year Land Use Plan," *2003 Comprehensive Development Plan*.

¹² City of Atlanta, "Grant Park Historic District Regulations," *Code of Ordinances, Sec. 16-20K.001*

design of the neighborhood. Despite these seemingly exclusionary clauses however, one of the goals included in the statement of intent is "to encourage economic development and a variety of housing opportunities; foster neighborhood revitalization, and discourage displacement of residents."¹³ The creation of a variety of housing opportunities for multiple income levels will, in accordance with the zoning ordinance, be facilitated primarily through the redevelopment and rehabilitation of the existing deteriorating housing stock. This will allow for the preservation of the mixed income and historic character of the community. The involvement of community development corporations and non-profits will allow for the rehabilitation of high-quality affordable housing for low-income individuals. This development will be compatible with the existing street and lot patterns as well as architectural style of Grant Park because it is using the existing stock. The community will also benefit from the involvement of such organizations because of the overall improvement of the housing stock in the area, both visually and structurally, resulting in increased property values and community pride.

Tax Assistance Programs

Homestead Exemption

A homestead exemption is a reduction in homeowners' property taxes if the property is a primary residence. This exemption is automatically renewed each year as long as the homeowner continuously occupies the home. Effective January 1st, 2003 this exemption has been extended to elderly property owners who are 65 years or older and have an annual income of \$39,000 or less. The exemption is equal to the increased value of the property each year. Essentially the value of the residential property is frozen based on the previous year's value. This is the value on which taxes are paid until the resident ceases to occupy the housing unit. Often, low-income, elderly, and disabled property owners find themselves unable to keep up with rising property values that result when a neighborhood begins to gentrify and are forced to sell their property. Community support for an extension of this exemption to low-income property owners would allow these residents to remain in the neighborhood despite the increase in their property taxes. The presence of the original members of the Grant Park neighborhood in the community is important in preserving the existing social fabric.

Exemption Applications

Providing community access to these applications and supportive services to assist in the completion of the forms is important to ensure all eligible parties are given the opportunity to apply for the exemption. Some low-income residential owners have not applied for this tax. This may be due to the complexity of the subject matter or lack of awareness of the exemption. Many seniors may need transportation to the Fulton County Service center locations where applications are filed. The Grant Park Neighborhood Association can work to create

¹³ Ibid, Sec.16-20K.001

awareness of the program through various resource tools, such as the Porch Press and the GPNA web site, as well as assisting in the application process.

Tax Payment Programs

Providing an opportunity for low-income residents to pay delinquent taxes on their owner-occupied residence over time would allow residents to remain in their homes while paying taxes over a feasible time frame. Rising property taxes coupled with the complexity of the tax exemption programs increases the financial burden on low-income homeowners substantially, leading in many cases to an inability to pay the taxes on their property. The development of a program at the county or community level that allows for the repayment of these delinquent taxes according to a schedule of payments would allow for low-income individuals to maintain residency in the community, preserving the mixed income character.

Neighborhood Gentrification Counseling

Advise low income and elderly residents regarding the short and long term effects of gentrification on property values and taxes. Counseling in this area includes informing residents on gentrification as well as information on eligibility for tax exemption and tax reduction programs and the concepts of mixed income housing.

Predatory Loan Counseling

Support nonprofit agencies that provide counseling on payment of property taxes, homeownership, and foreclosure prevention.

Atlanta Legal Aid Society

This organization provides free legal aid to low-income individuals in civil (non-criminal) cases. Effective in resolving landlord tenant disputes, eviction warrants, landlord repair/maintenance issues, as well as cases involving fraud against homeowners and possible foreclosures, legal aid can provide assistance to low-income residents in Grant Park regarding tax assistance programs and loan counseling.

Georgia Law Center on Homelessness and Poverty

Providing free civil legal services to homeless people and non-profit organizations, this group can assist those low-income individuals seeking representation on matters of public housing and housing subsidies. Additionally, legal aid and information can be provided to non-profit affordable housing developers and other organizations seeking to provide service and increase housing opportunities to disadvantaged groups.

Community Development Corporations and Nonprofits

Progressive Redevelopment

PRI is involved with both new construction and full-scale rehabilitation projects in affordable housing. The needs of each low-income household is different, and PRI has responded with a variety of options for these individuals from single room occupancy units to single family homes. This range of experience has also provided the organization with the ability to assemble multi-layered and complex financial packages, facilitating assistance to numerous low-income individuals in a variety of situations. Additionally, this organization provides supportive services that assist low-income residents in becoming stakeholders in their community. The group's primary social service areas in their residential development division are special needs, life enrichment, and community building. Providing a holistic approach to the affordable housing shortage ensures the success of PRI projects. The provision of affordable housing alone does not address many of the issues that low-income individuals face. Elderly households in particular have special needs that standard affordable housing may not solve. The involvement of low-income residents and elderly residents in the community decision-making process is vital in the preservation of a mixed income area. The involvement of these people in the Grant Park Neighborhood Association would be a valuable experience for both the individuals and the community. The Association will be better able to serve and formulate goals for the community through the involvement of all neighborhood residents.¹⁴

Cooperative Resource Center

Stabilizing neighborhoods and strengthening communities through the development of high-quality affordable housing is the goal of the CRC. Forming partnerships with individuals, communities, financiers, contractors, and government entities allows for the CRC to coordinate resources in order to meet



the goals of the residents. CRC is also experienced in construction of special needs housing and renovation. The needs of the elderly residents of Grant Park require particular attention. The amenities required in such housing may be overlooked in standard affordable housing. However, these residents comprise a large proportion of the population in Grant Park that needs decent affordable housing due to their fixed income status and desire to remain in a community they are familiar with and a vital part of its fabric. Preserving the existing social fabric of Grant Park will require housing assistance for low-income elderly. Additionally, renovation of the existing housing stock is process that has already begun in Grant Park by newer residents who have moved into the

¹⁴ www.prihousing.org/departments.htm

community. The continuation of this process is inevitable and in order for low-income residents to remain, they must have financial assistance in renovating their housing. The ability to remain in their current residence as well improve the quality of their housing will benefit the household as well as the community. There are a number of existing properties in Grant Park that could be renovated under this program, allowing for the expansion of attractive, high-quality, affordable housing without having to undertake a major construction or redevelopment project. CRC also works to locate and secure existing structures that can be renovated or recreated to better serve the needs of the community.¹⁵ The utilization of such existing structures is cost efficient and also preserves buildings that are part of the structural or historic makeup of the community, using the age and character of the building to create unique yet functional housing.

Habitat for Humanity

Habitat for Humanity, a non-profit ecumenical housing ministry, is an organization dedicated to creating homeowners through an interactive partnership with the community. In return for their "sweat equity," participation in the construction of their home and other area Habitat homes, homeowners receive an interest free mortgage on their new property. This provides low-income families with home ownership opportunities while also strengthening community bonds and improving the neighborhood housing stock. A solution to the lack of decent affordable housing while encouraging homeownership, Habitat is a feasible and ideal program for the Grant Park neighborhood. The style and size of homes constructed by Habitat is in compliance with the neighborhood because of the small lot sizes and lack of large plots of land for alternative affordable housing projects. Additionally, the Atlanta Habitat office is located in the Grant Park community, making this a highly accessible resource.

In the past ten years Habitat has sponsored the construction of ten homes in Grant Park, the last of which was completed in 1999. The successes of these projects are proof that a continued dedication to construction of owner-occupied housing will benefit both low-income individuals and the community as a whole.¹⁶ However, it is also important to recognize that no Habitat homes have been built in Grant Park since 1999, prior to this date the organization averaged two homes per year. This interruption in the construction of homes may be attributed to the increasing cost of property. Habitat builds homes on property that is donated to them or they are able to purchase for a very low price. The lack of availability of such parcels indicates the rising property values and increasing need for affordable options.

Urban Residential Development Corporation

This organization serves to contribute to the amount of decent, affordable housing through facilitating public-private partnerships. Through the development of

¹⁵ www.cooperativeresourcecenter.org/mission-history.html

¹⁶ www.atlanta.habitat.org/home

these relationships at both the individual and community level, acquisition of property for the development of both rental and owner-occupied housing becomes possible for low and moderate-income individuals. Working with the Atlanta Housing Authority, lending institutions, and private investors and development firms allows for the URDC to utilize numerous resources creating a joint effort in the city in creating affordable housing. The scope of the URDC includes identifying acquisition opportunities, creating development prospects, negotiating with landlords, builders, architects, engineers and contractors and creating a proposals to be approved by the Board of Directors for implementation. The URDC also focuses on the integration of affordable housing units for low-income residents into wealthier communities, creating mixed income neighborhoods. Grant Park's goal to retain its mixed income character can benefit from the involvement of such an organization that is able to form partnerships with multiple organizations and merge resources for the benefit of both the individual low-income homeowners and the community as a whole. URDC also strives to obtain financing and build affordable housing which is most appropriate for the area, an important issue in Grant Park, where historic preservation is a priority for the community and architecture style and relation to existing housing is essential.¹⁷



Community Housing Resource Center

This organization receives a one million dollar grant each year from the city to provide services to primarily elderly home-owners in need of major home repairs. Created to provide a connection between community groups and organizations and the resources available to them, the CHRC has evolved to primarily focusing on emergency housing repairs for the low-income elderly households. Located in Grant Park, the CHRC is a resource that remains largely untapped by the local community. Professional contractors complete vital home repair projects including roof, furnace, pipe and electric repairs that make homes safe and decent places to live while also complementing surrounding infill and rehabilitation efforts. Improving the housing stock not only benefits the homeowner, but also the surrounding neighborhood, allowing the community to take pride in the appearance of their neighborhood, as well as increasing property values. Providing these vital services to home-owners who would otherwise be unable to complete or afford such repairs also preserves the community social fabric by allowing elderly home-owners to maintain residency despite the costs of

¹⁷ www.urdc.org/mission.htm

homeownership. CHRC also provides Housing Councilors who identify these housing problems as symptoms of larger issues such as isolation or depression. Reconnecting these residents with the community through existing networks such as the GPNA, benefits both the individual as well as the strength of the community.

City of Atlanta Programs

Legislation is currently being drafted to allow individual eligibility for the CHIP and CDBG programs, giving residents control over their housing options and expanding accessibility to the program to groups and individuals who are often overlooked or ignored by the Community Housing Development Organization (CHDO). At this time, funds are distributed to CHDOs and then used at the community level. The size of the community and lack of available land for development makes distribution of funds at the individual level much more efficient and objective.

Community Development Block Grant Programs (CDBG)

The CDBG program provides funding for programs at the community level that benefit low and moderate-income residents. Funding can be used for numerous activities including public facilities, housing improvement projects, social service buildings, and economic development projects. In Grant Park funding could be concentrated on housing improvement projects.

Community HOME Investment Program (CHIP)

This program is similar to and can be used in conjunction with the CDBG program, but funding provided under HOME must be used for development that results in the production, acquisition, or rehabilitation of affordable housing. The units that are constructed are safe, decent units that can be occupied by eligible homebuyers, homeowners, or tenants. In Grant Park these funds could be used to rehabilitate the existing deteriorating housing stock through numerous financing techniques including rehabilitation loans, "soft loans" and development subsidies, construction lending, loan guarantees, refinancing, and permanent mortgage refinancing. Application of this program will increase the amount and improve the quality of the affordable housing stock in the Grant Park community.

Housing Enterprise Zones

Housing Enterprise Zones are used to encourage economic development and revitalize distressed communities. They require that tax abatement subsidies issued by the City under this program incorporate a development minimum of 33% of affordable housing units. This program would be beneficial for Grant Park in their attempt to preserve a mixed-income composition, because, as defined by the city of Atlanta, 33% of housing units in a mixed income community must be affordable.

Tax Allocation Districts

This program creates a minimum requirement of 33% of affordable housing units to receive tax increment financing. The provision of tax expenditures for affordable housing subsidies allows for the city to support and maintain a minimum threshold of affordable housing units. Involvement in this program could supplement the existing affordable housing stock in the community and assist in the preservation of the mixed-income character of Grant Park while contributing to the number affordable housing units within the city.

Department of Community Affairs Programs

Bond Allocation Program

This plan uses private-activity mortgage revenue bonds for single-family mortgages and multi-family housing development bonds. Single-family proposals must "demonstrate the ability to turn allocations into cost-effective mortgages for first time low and moderate income home buyers."¹⁸ Multi-family projects must set aside a certain percentage of units for low to moderate income residents. The application of this program, which provides long-term, low-interest rate financing, in Grant Park could facilitate the development of small multi-family mixed income projects and assist low-income families in home-ownership.

Housing Tax Credit Program

Federal tax credits for owners of rental properties which reserve all or a portion of their units for low or very low-income residents. Although this program cannot be used for detached, single family homes, Grant Park may still find the program helpful in creating small multi-family projects containing both market rate and affordable housing.¹⁹

¹⁸www.dca.state.ga.us/housing/

¹⁹www.dca.state.ga.us/housing/

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