HOUSING PROFILE
FOR THE CITY OF HAPEVILLE

prepared by the
Atlanta Regional Commission
2019
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Executive Summary

Housing Profile for the City of Hapeville

The City of Hapeville is at a turning point. After a period of economic stagnation, the City has become a desirable place to live. As people and investments move into the City, Hapeville’s housing market has grown more competitive.

After an analysis of Hapeville’s housing conditions, the Atlanta Regional Commission (ARC) found some critical housing market trends that are impacting Hapeville and its residents.

Key Trends:

- A majority of Hapeville’s residents are renters, and this number has risen in the past decade

- Hapeville’s median incomes have grown slower and are now much lower than the rest of the region

- Home prices and rents are rising rapidly and significantly

- Housing cost-burdens have greatly increased and are impacting Hapeville residents at all incomes, both owners and renters
Due to these factors, Hapeville residents are facing increasing cost-burdens, struggling to afford current rental costs and the available for-sale single-family product on the market.

This combination of increasing interest and investment in Hapeville and the significant housing cost-burden on its residents has opened the door to rapid change. These conditions may currently be forcing out vulnerable portions of the City’s population, such as seniors and low-income families, who can no longer afford to pay for housing in Hapeville.

This report highlights these and other key trends contributing to increasing cost-burden among Hapeville residents and offers strategies for the City to undertake to address its challenges.

While Hapeville is experiencing this rapid transition, it is more urgent than ever that leaders take action to understand its housing challenges and seek out resources, strategies, and partnerships that improve the overall quality of life for its residents.

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**Priority Strategies:**

1. Develop Housing Leadership
2. Mitigate the Potential for Displacement
3. Increase Homeownership to Stabilize Existing Neighborhoods
4. Diversify the Housing Supply
About the Report

Since the Great Recession, the City of Hapeville has experienced healthy economic growth—both commercial and residential. Businesses, large and small, like Porsche Cars North America and Arches Brewing, are locating in and around Hapeville. Its single-family neighborhoods and location in the region are attracting new residents to the City. Public and private leaders in the airport area are working across jurisdictional boundaries on broad economic development and marketing of the area through the Aerotropolis Atlanta Alliance, bringing new attention to the area’s many commercial, cultural, and educational assets. Hapeville leaders have taken strides to create a vibrant arts district in the downtown core and have made strong commitments to planning for its recent growth and success.

In spite of this positive growth in Hapeville, housing across the region and across the country is in crisis. The housing market is not in the state it was pre-recession, but data show increasing cost-burden on residents at all income levels and in all communities. Whereas the last housing crisis was fairly complicated and involved both homeowners and banks stretching their budgets and taking on too much debt, today’s issue is primarily due to a lack of supply. Home prices are rising as a result, locking out young families from homeownership and pushing more to renting, while residential permits are at roughly one-third pre-recession levels. Credit is also harder to come by, as banks are less willing to lend, and wages have been stagnant.
As people continue to discover Hapeville's small-town charm, finding it a desirable place to live, work, and play, and as the City’s development pipeline outlook remains healthy, it too faces this stress on its housing supply. If transit is set to expand through the City into Clayton County and the airport remains one of the largest employment centers in the region, this trend will continue, as the combination of these local demographic, economic, and regulatory factors are primary drivers of local housing supply.

So, what can the City of Hapeville do to bring balance to its housing market and reduce the burdens of rising costs on its residents? As the City may have the ability to shape housing through policy, this report aims to answer this question and evaluate the City’s housing market, identify existing challenges and opportunities, and help leaders in Hapeville make informed decisions about the future. Since the City is taking a proactive approach to addressing these challenges, this report proposes a few next steps and strategic actions that intend to improve housing conditions for existing and future residents of Hapeville.
Under direction of City staff, including the City Manager and planning and economic development staff, ARC conducted a housing assessment and developed this report for the City of Hapeville.

The first step was to gather and analyze demographic, economic and housing data. This analysis informs the heart of the report. The project team used a number of data sources, including existing plans and studies from Hapeville and metro Atlanta, intended to supplement the data and provide regional context.

Another key element of the project was to learn about Hapeville’s development activity through conversations with the development community to get a sense of what might be in the City’s development pipeline and how this might impact housing issues.

The final step was to identify Hapeville’s key housing challenges and opportunities and propose strategies aimed at helping City staff and elected officials address the challenges.
This report is broken into four elements:

- Community Profile – Provides a brief overview of essential demographic and economic data that serves as the foundation to understanding Hapeville’s housing market.

- Housing Profile – Examines Hapeville’s housing conditions by looking at data relating to cost and stock.

- Affordability – Identifies the degree to which affordability is a concern for Hapeville residents by examining the ability of households to afford different forms of housing.

- Challenges and Opportunities – Proposes strategies City staff and elected officials may take to address the most pressing challenges and...
As housing demand is primarily determined by a community's demographics and influencing economic factors, it is important to understand how Hapeville is changing. This section of the report highlights key demographic changes occurring in Hapeville, providing a foundation of what might be impacting existing and future housing demand.

Hapeville is a small town poised for steady growth and development. According to the U.S. Census Bureau, 2013-2017 American Community Survey (ACS) 5-Year Estimates, Hapeville has a population of 6,622 people, a 6 percent increase since 2010. It also has a number of charming single-family neighborhoods and major employment centers nearby, making Hapeville an attractive place to call home. Its proximity to the world's busiest airport, MARTA transit, and Atlanta's downtown give it a strategic advantage in just about every livability category.

This growth is being seen all over metro Atlanta, as more people are moving into the region for jobs. According to ARC's population and employment forecasts, metro Atlanta's population will grow by 2.5 million people and its economy by 1.5 million jobs by 2040. Fulton County's portion of that growth (Figure 7 and 8) will amount to an increase of 294,086 additional people and 246,610 additional jobs by the year 2040. These and other factors identified in this section will affect housing demand all over the region, including in Hapeville.
Figure 1 shows Hapeville’s population is growing, its median age is 34 years, and an estimated 1,083 households are comprised of families.

Figure 2 shows the range of ages by sex of Hapeville’s resident population. Hapeville has a large number of young professionals, perhaps pilots or flight attendants living near the airport, but it also has a significant youth and senior population, including 95 women age 85 and up and 1,888 youth under the age of 20.

Since the region as a whole is growing but also aging, as people are living longer, the need for lifelong housing options is increasing. People at different stages of life prefer and sometimes require different type and size homes, and thus it is important to have options for young, middle-aged, and elderly people.
As Figure 3 shows, the composition of Hapeville’s population by race and ethnicity shifted from 2010 to 2017. The proportion of the City’s Hispanic population decreased by 23.3%, while the proportion of its Black population increased by 19.2%.

Although, people of every race and ethnicity require the same type of housing, the City may want to explore further and monitor in the future demographic changes like this to better understand its impacts on the community.

Figure 4 below shows the total number of households in the City of Hapeville and the median income level of these households. Hapeville’s 2017 median household income is well below metro Atlanta’s Area Median Income (AMI) $69,700, and an estimated 1,086 people in Hapeville live below the poverty line, which is $24,600 in annual income for a family of 4.

These numbers are important to understand in regards to housing, as the City’s median household income determines what a typical household in Hapeville can afford, and people living below the poverty line need additional resources to maintain housing stability.
Jobs play a critical role in housing demand, too. Hapeville's location next the the world's busiest airport means transportation and warehousing is by far the largest employment sector for Hapeville residents. Whether these people work as pilots or flight attendants, baggage handlers or plane mechanics, Hapeville provides the homes for the people that make the airport and all its related businesses run.

Source: Esri Business Analyst Online, 2018

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates
Figures 7 and 8 depict ARC’s population and jobs projections in Fulton County over the next 20 years. As these forecasts primarily help inform the development of the Atlanta Region’s Plan, a long-range blueprint that details the investments that will be made in the next 25 years to improve the Atlanta region’s quality of life, they are important for local governments to consider, too. Fulton County’s projections show a significant amount of growth in both population and jobs, which will further the demand for housing. It is difficult to say how many people and jobs will come to Hapeville specifically. However, the County overall will see the second highest net change in

**FIGURE 7: Atlanta Region’s Population Estimates**

Fulton County’s projected population growth is 30% 2015 - 2040

Source: ARC Population & Employment Forecasts
population growth in the region of roughly 294,086 new residents, and it will see the highest net change in jobs growth in the region of roughly 246,610 jobs. It is safe to assume that the City of Hapeville’s current growth will continue over the next 20 years.

FIGURE 8: Atlanta Region’s Employment Estimates

Fulton County’s projected jobs growth is 28%
2015 - 2040

Source: ARC Population & Employment Forecasts
Overview

This section of the report focuses on Hapeville’s housing conditions, including its stock, costs, and other relevant factors. The purpose of this section is to build upon Hapeville’s community profile and draw contrasts between its housing supply and demand.

While many data sources provide different estimates of Hapeville’s local housing conditions, all point to a few key trends that reflect those occurring at the national level: housing costs are rising rapidly, production levels have not kept up with demand, and homeownership rates are lower than ever before.

Key findings:

- **Hapeville’s housing stock is 62.4 percent single-family** and its land use is 77.7 percent residential.

- **66.3 percent of households rent** and do not own their home, which is 10 percent higher than Fulton County and 28.5 percent higher than the Atlanta metro statistical area (MSA).

- The **median home listing price increased 49 percent**, and the **median rent price increased 15 percent** between 2011 and 2018.

- The **estimated vacancy rate is 23.4 percent**, which is 7 percent higher than Fulton County and 12 percent higher than Atlanta MSA.

- Since 2014, **home loans have increased 87.8 percent** and home loan values have increased **44.2 percent**.
FIGURE 9: Hapeville Housing Overview, 2018 ESRI and 2017 ACS Data

Residential Land Use: 77.7%

Total Households: 2,487

Average Household Size: 2.58

Stock

Total Housing Units: 3,245

Single-Family Units: 2,025

Multi-Family Units: 1,220

Tenure

Owner-Occupied Households: 33.7%

Renter-Occupied Households: 66.3%

Vacancy Rate: 23.4%

Cost

Median Selected Monthly Owner Costs: $1,084

Median Home Value: $128,607

Median Asking Rent: $1,101

Source: Esri Business Analyst Online, 2018; U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates
Map 1 and Figure 10 show the breakdown of housing types within the City of Hapeville. Single-family homes dominate the landscape of the City’s housing stock, as much of it was built after the early 1940s through the 1960s when this type of housing development was ubiquitous in metro Atlanta.

Table 1 shows that Hapeville does have a good diversity of housing in terms of the number of multi-family units, but these are concentrated in very few buildings and locations in the City. The multi-family housing options are also dated, as they all were built before 2008.
FIGURE 10: 2016 Housing Units and Housing Structures by Type

TABLE 1: Housing Units and Housing Structures by Livable Units

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>HOUSING UNITS</th>
<th>HOUSING STRUCTURES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent of Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family Homes</td>
<td>2,201</td>
<td>62.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two-Unit Homes and Duplexes</td>
<td>83</td>
<td>2.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Apartment Buildings (3 to 49 units)</td>
<td>857</td>
<td>24.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Apartment Buildings (50 units or more)</td>
<td>362</td>
<td>10.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>3,503</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>2,294</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates
While Figure 11 shows Hapeville's housing tenure and compares the City to Fulton County and Atlanta MSA, Figure 12 shows Hapeville's housing tenure over time.

Hapeville’s renter occupied housing tenure rate was 65.5 percent in 2016 and is estimated to be 66.3 in 2017. This and the City’s vacant housing rates are higher than Fulton County and metro Atlanta now and have been increasing since the year 2000.

While high rental rates correlate with high rates of transiency, the ACS methodology of obtaining “vacancy status” may slightly overestimate vacancy in Hapeville.

According to the ACS, a housing unit is vacant if no one is living in it at the time of interview. Also, units occupied at the time of interview entirely by persons who are staying two months or less and who have a more permanent residence elsewhere are considered to be temporarily occupied, and are classified as “vacant.”

New units not yet occupied are classified as vacant housing units, as well, if construction has reached a point where all exterior windows and doors are installed and final usable floors are in place.

Because so much of Hapeville's housing stock is devoted to rental units, as we see in Figure 11, the sheer volume most likely inflates the ACS vacancy estimate.

Nonetheless, increasing home-ownership in Hapeville to rates comparable to the region should be a priority for the City moving forward, as home-ownership improves neighborhood stability and reduces vacancy rates.
FIGURE 11: Housing Tenure Comparison

HAPEVILLE
- Owner Occupied: 34.5%
- Renter Occupied: 65.5%
- Vacant: 22.1%

FULTON
- Owner Occupied: 51.2%
- Renter Occupied: 48.8%
- Vacant: 14.4%

ATLANTA MSA
- Owner Occupied: 63%
- Renter Occupied: 37%
- Vacant: 10.1%

FIGURE 12: Total Housing Units and Tenure in Hapeville 1970 - 2016

Source: U.S. Census Bureau, Decennial Census 1970-2010, 2012-2016 American Community Survey 5-Year Estimates
Figures 13 and 14 depict housing activity in Hapeville over time by looking at housing starts and home loan originations. Both paint a clear picture that housing activity has picked up in Hapeville since 2014 and has expanded rapidly.

While housing starts depict the beginning of construction of a new home, the Home Mortgage Disclosure Act (HMDA) loan origination data depict the act of banks issuing loans for the construction, renovation, or purchase of a home. These figures point to an increasing interest among homebuyers in Hapeville’s neighborhoods. In only three years between 2014 and 2017, the average home loan value increased by roughly $45,000, highlighting the rapidly rising costs of moving to Hapeville.

And, these trends do not show signs of slowing down. Data from Zillow, the online real estate database company, show on the following pages how fast and how much home listing prices and rents have increased in 8 years.

**FIGURE 13: Housing Starts 1997 - 2018**

Source: SOCDS Building Permits Database
FIGURE 14: HMDA Loan Originations 2006 - 2016

Source: ESRI Business Analyst Online
Figure 15 and Table 2 really underscore how this housing activity and interest in Hapeville translates to rising costs. The chart below displays the rise in asking rents within the City of Hapeville since the year 2011, according to Zillow.

After the decline of the recession and its aftershocks, Hapeville has seen a steady increase in asking rents of units on the market. This chart shows a 15 percent increase in 8 years, while Table 2 to the right shows the dollar amounts of these changes. As of the writing of this report, the average asking rent in Hapeville was $1,096 across all housing types.

Table 2 also depicts the increase over time of Hapeville's median home listing price, which increased 49 percent since 2011. This measure is not as accurate a picture of the housing market as median home sales prices, but is a good proxy for a small city of Hapeville's size where home sales price data are not available. Both figures show that Hapeville is in the midst of rapid change.

**FIGURE 15: Zillow Median Asking Rent 2010 - 2018**

Source: Zillow Rent Index through October 2018
TABLE 2: Zillow Median Home Listing Price, Median Rent Price 2011 - 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Home Sales</th>
<th>Median Home Listing Price</th>
<th>Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>146</td>
<td>$98,567</td>
<td>$927</td>
</tr>
<tr>
<td>2012</td>
<td>205</td>
<td>$90,283</td>
<td>$887</td>
</tr>
<tr>
<td>2013</td>
<td>240</td>
<td>$99,283</td>
<td>$902</td>
</tr>
<tr>
<td>2014</td>
<td>214</td>
<td>$104,092</td>
<td>$903</td>
</tr>
<tr>
<td>2015</td>
<td>144</td>
<td>$114,600</td>
<td>$941</td>
</tr>
<tr>
<td>2016</td>
<td>199</td>
<td>$136,675</td>
<td>$987</td>
</tr>
<tr>
<td>2017</td>
<td>211</td>
<td>$162,825</td>
<td>$1,029</td>
</tr>
<tr>
<td>2018*</td>
<td>67</td>
<td>$196,160</td>
<td>$1,091</td>
</tr>
</tbody>
</table>

Source: Zillow Median Home Value Index; *2018 data incomplete
Table 3 and 4 compare Esri estimates for Hapeville's housing costs, which show the same conditions as other data sources. These tables compare Hapeville to the Atlanta MSA and other geographies for contrast. Hapeville’s rising housing costs and lower incomes might explain why Hapeville experienced slightly higher than average eviction rates than Georgia and the City of Atlanta, as seen in Figure 16.

### TABLE 3: Esri Rental Estimate Comparison 2018

<table>
<thead>
<tr>
<th></th>
<th>HAPEVILLE</th>
<th>ATLANTA MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Households Renting</td>
<td>64.3%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Median Asking Rent All Housing Types</td>
<td>$1,101</td>
<td>$1,398</td>
</tr>
</tbody>
</table>

*Source: ESRI Business Analyst Online*

### TABLE 4: Esri Housing Estimate Comparison 2018

<table>
<thead>
<tr>
<th></th>
<th>HAPEVILLE</th>
<th>ATLANTA MSA</th>
<th>GEORGIA</th>
<th>UNITED STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household Income</td>
<td>$40,654</td>
<td>$63,454</td>
<td>$54,785</td>
<td>$58,100</td>
</tr>
<tr>
<td>Median Home Value</td>
<td>$128,607</td>
<td>$215,005</td>
<td>$183,457</td>
<td>$218,492</td>
</tr>
</tbody>
</table>

*Source: Esri SFMA Comparisons 2018*
FIGURE 16: Eviction Lab’s Eviction Comparison 2016

GEORGIA EXPERIENCED 56,963 EVICTIONS IN 2016

- Number of evictions per day: 155.64
- Eviction Rate: 4.71%

<table>
<thead>
<tr>
<th>Eviction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>No data</td>
</tr>
</tbody>
</table>

HAPEVILLE EXPERIENCED 94 EVICTIONS IN 2016

- Number of evictions per day: 0.26
- Eviction Rate: 5.62%

<table>
<thead>
<tr>
<th>Eviction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>No data</td>
</tr>
</tbody>
</table>

ATLANTA EXPERIENCED 6,201 EVICTIONS IN 2016

- Number of evictions per day: 16.94
- Eviction Rate: 5.12%

<table>
<thead>
<tr>
<th>Eviction Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>No data</td>
</tr>
</tbody>
</table>

* An eviction rate is the number of evictions per 100 renter-occupied households

1 Eviction/filing rate is too low.

2 Eviction/filing rate in the top 1%

Please see our FAQ section to better understand these issues [https://evictionlab.org/help-faq/](https://evictionlab.org/help-faq/)
What This Means for Hapeville

1) Hapeville residents could be at risk of displacement:

According to the 2013-2017 ACS 5-Year Estimates, Hapeville's primary land use is residential, most of this is single-family housing, and most units (66.3 percent) are rented. Hapeville's rental rate is one of the highest of all cities in metro Atlanta.

Many of the homes in Hapeville were built in the 20th century after World War II and served airport, airline, and Ford Factory employees. Now aging, these homes have become attractive to real-estate investors, as they make up quality single-family neighborhoods near one of the largest employment centers in the State, a major global airport, and a thriving small city just inside the perimeter.

According to the development community, these homes are fairly inexpensive for investors to purchase, rehab, flip, and re-sell for a big profit, which aligns with Figures 13 and 14 showing real-estate activity has picked up in the last few years, and Table 2 showing prices and profits have increased significantly. Many developers mentioned that as soon as a home is put on the market, it is sold.

In some ways this change could be advantageous. The market is revitalizing aging housing stock and increasing the City's tax base. However, it could also mean current Hapeville residents, facing increasing costs, are no longer able to afford owning and are forced to rent. Or, it means potential owners are forced to remain renters, and others are ultimately displaced.

2) Hapeville's lack of housing options could increase the risk of displacement:

Hapeville's housing stock is primarily uniform in both its size and type, as Figure 10 shows 62.8 percent of all housing units and 96 percent of all housing structures are single-family homes.

This uniformity could increase the risk of displacement for the resident population as housing costs continue to rise and alternative housing options for tenants, seniors, or lower-income earners are limited.

To retain current residents and improve community resiliency, Hapeville should aim to accommodate households of all sizes and income levels by building more housing types and sizes, including multi-family, senior housing, and co-living spaces. Producing a good mix of housing types appeals to a wider buyer pool, allows communities to remain competitive when market conditions fluctuate, and provides residents new ways of living in their community as they age.

Hapeville was working towards this healthy balance of housing types in the early 2000s when multi-family housing development in Hapeville picked up significantly and roughly 27 percent of the City's housing stock was built.

However, Hapeville has not seen any multi-family development since. Rather, infill and single-family rehab are the primary forms of residential development in Hapeville. Yet, this is not enough to keep up with the ever-growing population, nor will it increase homeownership rates.
3) Hapeville’s vacancy rate needs further study:

As Figure 11 shows, Hapeville’s estimated vacancy rate was 22.1 percent in 2016 and increased to 23.4 percent in 2017. While the causes of this vacancy rate in Hapeville are unknown, the numbers are consistently and steadily rising.

Hapeville should study further what is causing this high rate of vacancy, which segments of the population it affects, and how to effectively reduce the number of empty units.

This could have positive impacts beyond increased tax revenue for the City and less inspecting, policing, cleaning, and demolishing of neglected properties. It could help retain more residents that want to live in Hapeville but are unable.

The data explored in this section of the report are key to understanding the state of Hapeville's housing market. It is clear from this information that the City should take an urgent and active approach to tracking its housing market conditions moving forward, as it seems to be experiencing a lot of change that could be impacting its residents.

The next section of this report looks further into this issue at how these changes might be affecting people's ability to afford living in Hapeville.
Affordability

Meaning of Affordability

As affordability in relation to changing demographics and housing conditions is a critical element of housing stability in a community, it is important to determine to what extent people living in Hapeville can afford the available housing options.

The universally accepted standard of affordability is when a household is spending no more than 30 percent of its combined income on housing. If it is paying 30 percent or more, it is considered cost-burdened, while extremely cost-burdened households are paying more than 50 percent of its income.

Figure 17 explains the U.S. Department of Housing and Urban Development's (HUD) area median income (AMI), the combined average family income for a metropolitan fair market rent (FMR) area. For each income level, the guide shows the max a family can spend on its monthly rent before it is cost-burdened.

The 100% AMI for metro Atlanta in 2017 was $69,700, and this increased to $74,800 in 2018. Therefore, a family at the 100% AMI level should be spending no more than $1,870 a month on rent in 2018.

As Hapeville's median household income according to the 2013-2017 ACS 5-Year Estimates was $44,848, or 64 percent of the 2017 AMI, Hapeville residents should not be spending more than $1,121 on all housing costs each month.

However, this is not the only factor to consider when examining affordability. Transportation costs further complicate the affordability picture, especially in metro Atlanta where transportation costs are the highest in the nation. That is why when considering housing affordability alone, Atlanta MSA is relatively affordable, but when housing and transportation costs are combined, Atlanta MSA is among the least affordable metropolitan regions nationwide. This is a critical factor to keep in mind with affordability.

This section examines Hapeville's share of cost-burdened households for renters and owners, and compares what is affordable to its residents with what is available. It also discusses the possible explanations for and impacts of these measures.
**What is AMI?**

AMI stands for **Area Median Income**. It is calculated and released every year by the U.S. Department of Housing and Development (HUD). AMI is the combined average family income for the Atlanta-Sandy Springs-Roswell HUD Fair Market Rent (FMR) area. This area includes 24 counties: Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton.

AMI sets the rent of a subsidized residential unit and what families can qualify for that rent level. To calculate AMI you need both your total family income and family size.

<table>
<thead>
<tr>
<th>AMI Level (4-person family)</th>
<th>Max Income*</th>
<th>Monthly Rent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% AMI</td>
<td>$7,480</td>
<td>$187</td>
</tr>
<tr>
<td>20% AMI</td>
<td>$14,960</td>
<td>$374</td>
</tr>
<tr>
<td>30% AMI</td>
<td>$22,440</td>
<td>$561</td>
</tr>
</tbody>
</table>

**Very Low Income**

<table>
<thead>
<tr>
<th>AMI Level (4-person family)</th>
<th>Max Income*</th>
<th>Monthly Rent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>40% AMI</td>
<td>$29,920</td>
<td>$748</td>
</tr>
<tr>
<td>50% AMI</td>
<td>$37,400</td>
<td>$935</td>
</tr>
</tbody>
</table>

**Low Income**

<table>
<thead>
<tr>
<th>AMI Level (4-person family)</th>
<th>Max Income*</th>
<th>Monthly Rent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>60% AMI</td>
<td>$44,880</td>
<td>$1,122</td>
</tr>
<tr>
<td>70% AMI</td>
<td>$52,360</td>
<td>$1,309</td>
</tr>
<tr>
<td>80% AMI</td>
<td>$59,840</td>
<td>$1,496</td>
</tr>
</tbody>
</table>

**Moderate Income**

<table>
<thead>
<tr>
<th>AMI Level (4-person family)</th>
<th>Max Income*</th>
<th>Monthly Rent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% AMI</td>
<td>$67,320</td>
<td>$1,683</td>
</tr>
<tr>
<td>100% AMI</td>
<td>$74,800</td>
<td>$1,870</td>
</tr>
<tr>
<td>110% AMI</td>
<td>$82,280</td>
<td>$2,057</td>
</tr>
<tr>
<td>120% AMI</td>
<td>$89,760</td>
<td>$2,244</td>
</tr>
</tbody>
</table>

---

*Max Income* = Max incomes are calculated from the U.S. Department of Housing and Urban Development (HUD) calculation of the 2018 Area Median Income (AMI) of the Atlanta-Sandy Springs-Roswell HUD Fair Market Rent (FMR) area using 50% AMI for a four-person family as the baseline.

**Monthly Rent** = Monthly rents are calculated as 30% of the monthly max income.

Hapeville Affordability Overview

As the Community and Housing Profile sections of this report show, Hapeville is experiencing a lot of change. The population is growing, real-estate activity is increasing, and home prices and average rents are going up. Hapeville’s housing costs are rapidly transitioning from relatively lower-priced neighborhoods to those that are more comparable to the region average.

Meanwhile, the average Hapeville resident makes 36 percent less than the average metro Atlanta resident, Hapeville has a high rate of renter-occupied housing units, and high poverty and vacancy rates. This mix of escalating home prices and rents with lower overall incomes in turn means Hapeville has a higher than average rate of cost-burdened households.

Figure 18 summarizes the number of households in Hapeville experiencing cost-burden. According to the HUD’s Comprehensive Housing Strategy data, which were last published for the year 2015 and which demonstrate the extent of housing problems and housing needs, particularly for low income households, there were 2,590 occupied households in Hapeville in 2015. Of those households, 32 percent were cost-burdened. This means that 828 households in 2015 were spending 30 percent or more of their yearly income on housing costs.

FIGURE 18: Hapeville Affordability Numbers (2015)

Source: HUD’s Comprehensive Housing Affordability Strategy Data, U.S. Census Bureau, ACS 2011-2015
Table 5 and 6 on the following pages show the breakdown of cost-burdened owners and renters in Hapeville according to their income levels. As Hapeville has a majority of renters, this portion of the population was cost-burdened at a higher rate than homeowners. While 24 percent of homeowners were cost-burdened in 2015, 36.5 percent of renters struggled to afford available housing.

Across both owner and renter households the greatest cost-burden fell on Hapeville residents of the lower income levels, as none had a cost-burdened rate below 41 percent. For homeowners, the rate of cost-burdened households was highest in the extremely low-income category. Those who own their home and made 30 percent of the AMI, which amounts to a maximum income of $20,490 a year, were cost-burdened at a rate of 65.7 percent.

For renters, the rate of cost-burdened households was highest in the very low-income bracket. Those who rent and made between 30 and 50 percent of the AMI, or between $20,490 and $34,150 a year, were cost-burdened at an extremely high rate of 82.4 percent. This number is concerning for Hapeville’s housing stability.

Another concerning number is the 13.3 percent of cost-burdened renters in the moderate-income bracket. Nationwide and unique to the new housing affordability crisis there has been a significant increase in cost-burdened renters of higher-income residents. While this does not seem to be true for Hapeville, it is important to consider for the future of Hapeville’s housing stability, as affordability is not just an issue for low-income households.

If there were 828 households in 2015 that were struggling with housing payments and housing costs have steadily risen since 2015, the rate of cost-burden in Hapeville is most likely higher today. As the share of households struggling with housing costs rise, it becomes less likely that homeowners will have resources to maintain or improve their homes, while it becomes more likely that renters will be forced to look elsewhere for a place to live.

Furthermore, Hapeville continues to see positive economic growth as the airport adjacent market becomes a more desirable place to do business. It will be imperative for Hapeville leaders to develop strategies that address cost-burden for City residents earning less than 80 percent of the AMI to retain residents and prevent displacement. Adopting mortgage assistance, homeownership, or rehabilitation programs could help accomplish such a goal.

Ideally, Hapeville should continue to study housing stability in its community, as new and updated data becomes available, and begin developing action-oriented strategies to address cost-burden.
## Hapeville Owner Affordability Snapshot

TABLE 5: Hapeville Owner Affordability

<table>
<thead>
<tr>
<th>Income Level</th>
<th>AMI Range</th>
<th>Cost-Burdened Households</th>
<th>% Cost-Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td>(30% AMI or Less)</td>
<td>$20,490 or Less</td>
<td>175</td>
</tr>
<tr>
<td>Very Low Income</td>
<td>(30.01 to 50% AMI)</td>
<td>$20,490 - $34,150</td>
<td>94</td>
</tr>
<tr>
<td>Low Income</td>
<td>(50.01 to 80% AMI)</td>
<td>$34,150 - $54,640</td>
<td>116</td>
</tr>
<tr>
<td>Moderate Income</td>
<td>(80.01 to 100% AMI)</td>
<td>$54,640 - $68,300</td>
<td>70</td>
</tr>
<tr>
<td>Upper Income</td>
<td>(100% AMI or More)</td>
<td>$68,300 or More</td>
<td>485</td>
</tr>
</tbody>
</table>

Source: HUD’s Comprehensive Housing Affordability Strategy Data, U.S. Census Bureau, ACS 2011-2015

Hapeville owner residents among the lower-income levels are highly cost-burdened, increasing the likelihood of displacement.
Hapeville Renter Affordability Snapshot

TABLE 6: Hapeville Renter Affordability

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Household Income Range</th>
<th>Households</th>
<th>Cost-Burdened Households</th>
<th>% Cost-Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td>$20,490 or Less</td>
<td>462</td>
<td>221</td>
<td>47.8%</td>
</tr>
<tr>
<td>Very Low Income</td>
<td>$20,490 - $34,150</td>
<td>257</td>
<td>212</td>
<td>82.4%</td>
</tr>
<tr>
<td>Low Income</td>
<td>$34,150 - $54,640</td>
<td>365</td>
<td>150</td>
<td>41.1%</td>
</tr>
<tr>
<td>Moderate Income</td>
<td>$54,640 - $68,300</td>
<td>150</td>
<td>20</td>
<td>13.3%</td>
</tr>
<tr>
<td>Upper Income</td>
<td>$68,300 or More</td>
<td>416</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Out of 1,650 Renter-Occupied Households in Hapeville, 603 or 36.5% are Cost-Burdened

Source: HUD's Comprehensive Housing Affordability Strategy Data, U.S. Census Bureau, ACS 2011-2015

Hapeville renter residents among the moderate income level are moderately cost-burdened, while the renter residents among the lower-income levels are highly cost-burdened, increasing the likelihood of displacement.
Hapeville’s changing demographics, housing conditions, and share of cost-burdened households point to some key issues facing the City’s housing market. Although other housing and non-housing challenges may be affecting the City of Hapeville, the following challenges represent the most significant. The recommendations are intended to address these challenges and feature proven projects, programs, or other efforts undertaken in communities across the region to address similar challenges or capitalize on similar opportunities. The four primary challenges facing Hapeville Include:

**Challenge 1: Rapidly Increasing Housing Costs and Cost-Burden**

The combination of Hapeville’s aging single-family housing stock and its growing popularity as a destination to live and work has led to a rapid increase in housing activity. Single-family rehab and infill activity has skyrocketed. As soon as a house is put on the market, it is sold. This has led to escalating housing costs for both owners and renters that are reaching comparable levels to the regional average. Meanwhile, Hapeville’s median household income is well below the area median income. This has led to significant cost-burden among moderate and lower income residents in Hapeville, as the share of cost-burdened households is at least a third of all households in the City.

**Challenge 2: Displacement**

While it is indeed a positive sign of growth for Hapeville that home values are increasing and housing activity is picking up, the simultaneous and consequential increase in cost-burden may be leading to the displacement of City residents. As long as investor and developer interest in the City continues and the rental rate remains extremely high, residents will be vulnerable to unaffordable housing costs. Vulnerability to the risk of displacement will thus endure and the City’s population will continue to change.
**Challenge 3: Lack of Housing Diversity**

Hapeville’s majority single-family housing stock gives the City a unique small-town, family friendly character, but it might be contributing to this rapid change and displacement, even leading to missed opportunities for strategic growth. A balanced mix of housing types not only appeals to a wider buyer pool, allowing Hapeville to remain competitive as market conditions change, but also allows Hapeville residents to remain in the City, including young families and millennials, seniors who want to stay in the community, and local employers who want their employees to live near work. Diverse housing options improves overall housing stability.

**Challenge 4: Political and Public Opposition to Housing Development**

Hapeville is at a critical turning point, and local opposition to new housing options, especially that which is more attainable from a cost perspective, is often strong and could present further challenges to achieving a good mix of housing in Hapeville.

For Hapeville to remain an inclusive and vibrant place to live, City leadership and the community must come together to find solutions to these housing challenges. Taking strategic steps to develop accountable and transparent leadership on housing will not only show a commitment to City residents, but can set the table for balanced and inclusive growth.
Recommendations

Develop Housing Leadership:

▶ Establish a local housing committee, as having a body dedicated to addressing housing issues can help Hapeville craft policies that specifically respond to its housing needs.

▶ Participate in the Georgia Initiative for Community Housing (GICH) program to further define the housing problems in Hapeville and develop a cohesive vision for addressing them at the local level.

▶ Aim to work across silos, as success depends on information sharing with a multitude of City departments and stakeholders outside government. Identify the departments and non-governmental partners necessary to build coalitions.

▶ Form neighborhood partnerships and work with CDCs, neighborhood residents and others to leverage limited local government capacity and act as engaged partners rather than as adversaries, problems or obstacles.

Mitigate Potential for Displacement:

▶ Use city-owned or surplus public land for housing development, using a land bank authority for land assembly or a community land trust, which holds the land in trust while the structure is purchased by the occupant. Map 2 on the next page shows all the vacant parcels zoned residential in Hapeville that could be used for strategic infill housing development.

▶ Establish a flexible and dedicated source of funding for acquisition and predevelopment or preservation of housing. These sources can include real estate transfer taxes, general revenue, short-term rental fees, impact fees, and employer taxes based on revenue and number of employees.

▶ Revenue raised from a demolition tax can be used to create a fund for the creation, preservation, maintenance and improvement of affordable housing within Hapeville. It can also help to create a dedicated source of revenue to fund affordable housing initiatives.

▶ Support and grow organizations like Hapeville Cares that operate local rehabilitation programs and help residents address issues of deferred property maintenance. Providing small grants may be the best approach for the City.
MAP 2: Vacant Parcels Zoned Residential in Hapeville

Source: Fulton County GIS, 2016 Tax Parcels
Increase Homeownership to Stabilize Existing Neighborhoods:

► Use data and develop a comprehensive, reliable and accessible real property database, and maintain it so that it remains current and usable. Portland’s residential rental registration program could be a model to follow.

► Stabilize housing for lower-income households through greater tenant-side protections. This could include opportunity-to-purchase programs like the Invest Atlanta and Trio model, or banning rent hikes on units not meeting livability standards.

► Work with code enforcement to identify repeat code violation offenders, particularly absentee landlords and those with multiple code violations to maintain the quality of the existing inventory.

Diversify Housing Supply:

► Reduce regulatory barriers, like density restrictions, parking requirements, and building materials standards that preclude low-cost production.

► Decouple parking from housing costs, as these eat into the funds available for true housing costs. Removing on site parking requirements for specific types of housing, letting developers set the parking ratio as the market demands, or allowing management to offer bulk ride-share passes as part of the requirements are some potential solutions.

► Increasing types, sizes, and locations of developable property by allowing accessory dwelling units (ADUs), cottage-court type developments, or smaller setbacks and adjacencies for quad townhome-style construction.
Next Steps

This report is intended to serve as an educational and informational guide for City staff and elected officials. ARC recommends that staff discuss the contents of the report with City leadership and identify 2 to 3 strategic actions they would be interested in pursuing further.

Alternatively, this document can also serve as the foundation for the City of Hapeville to undertake a community-wide housing strategy which will bring together cross-sector partners and the public in identifying solutions to its local housing challenges.