



SANDY SPRINGS

GEORGIA

CITY COUNCIL

Rusty Paul, Mayor

John Paulson – District 1
Steve Soteres – District 2
Chris Burnett – District 3
Jody Reichel – District 4
Tibby DeJulio – District 5
Andy Bauman – District 6

Tuesday, November 3, 2020

Regular Meeting

Following Work Session

The November 3, 2020 City Council Meetings will be held via Live-stream.

| | |
|------------------------|--|
| Live-stream: | Sandy Springs Facebook: https://www.facebook.com/SandySpringsGA/ Zoom Webinar: http://spr.gs/mcc1132020 |
| Teleconference: | Dial Options (for higher quality, dial a number based on your current location): <ul style="list-style-type: none">• 1 312 626 6799• 1 646 558 8656• 1 301 715 8592• 1 253 215 8782 Webinar ID: 845-2383-9031 |
| Public Comment | Public Comment Cards may be submitted online: http://www.sandyspringsga.gov/government/public-meetings-calendar |



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Tuesday, November 3, 2020

Work Session

6:00 pm

I. Invocation - Rev Brent Yancey, North Springs UMC

II. Staff Discussion Items

- A. **2020-Pending** Housing Needs Assessment Update
(Presented by Kristin Smith, Assistant City Manager)
- B. **2020-Pending** Civic Dinners Update
(Presented by Sharon Kraun, Director of Communications)

III. City Council Discussion Items



SANDY SPRINGS HOUSING NEEDS ASSESSMENT

HR&A
Analyze. Advise. Act.

NOVEMBER 2020

INTRODUCTION | PURPOSE

HR&A Advisors conducted an assessment of current and anticipated unmet housing needs in Sandy Springs. The purpose of this document is to:

Develop a comprehensive understanding of housing needs and conditions across all incomes and typologies.

Establish an objective, data-driven resource on the housing market to guide future policy change.

INTRODUCTION | METHODOLOGY

We identified three broad groups in Sandy Springs with distinct housing needs:



Homeowners



Renters



**Employers/
Workforce**

Several analyses were completed to substantiate these conclusions:

- Demographic and Economic Trends Assessment
 - Cost Burden Assessment
 - Interviews with Housing Stakeholders
 - Employer Housing Needs Assessment
- Housing Supply and Demand
 - Housing Market Conditions Assessment
 - Resource Inventory
- Forecast of Future Housing Need

STUDY APPROACH | GEOGRAPHIES

To understand how the Sandy Springs housing market compares to the region, HR&A analyzed demographic and housing data in North Atlanta and the Metropolitan Statistical Area (MSA). Because housing types and needs vary significantly across different neighborhoods in the City, we also assessed the housing market in eight subareas, composed of census block groups.

REGIONAL COMPARISON STUDY AREAS

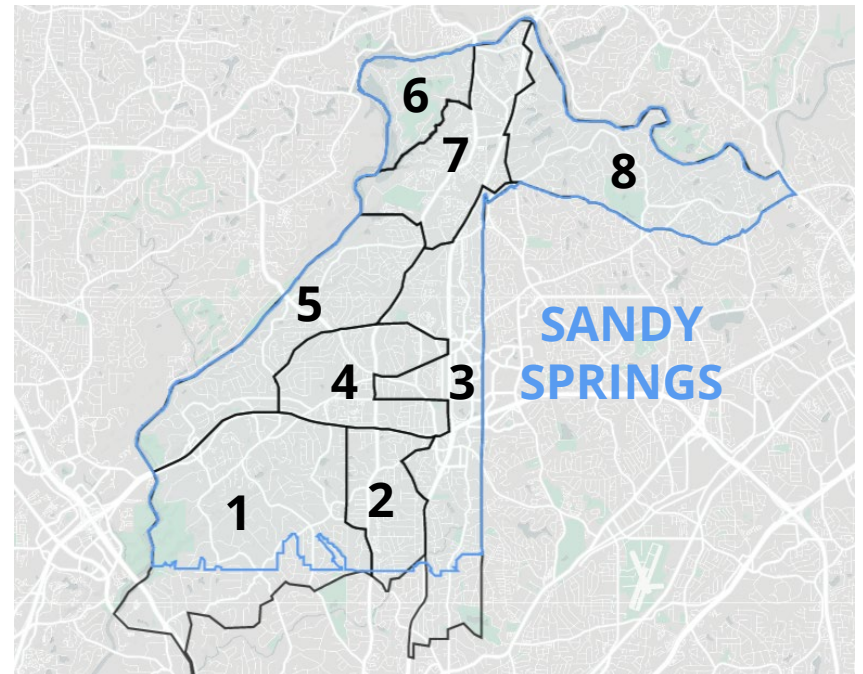
MSA, North Atlanta, and Sandy Springs, GA



Note: Refer to the appendix for more information about how study areas were defined.

SUBMARKET COMPARISON STUDY AREAS

Sandy Springs and Subareas



HOMEOWNER HOUSING NEEDS | SUMMARY



Entry Level Housing

Sandy Springs lacks “entry-level” single-family homeownership opportunities.

81% of single-family homes are sold above \$400,000, a price that is generally unaffordable to most households earning less than \$115,000 annually.*

Aging Population

Sandy Springs homeowners are increasingly becoming older as for-sale housing in the city is becoming less accessible to young and middle-aged families.

Citywide, households of most age groups are increasing while homeownership is only growing for those aged 55 and over.



**Ownership calculation assumes 30% housing cost burden, \$700 annual housing insurance costs, \$500 monthly condo/HOA fees, 2% closing costs, and 5% down payment.*

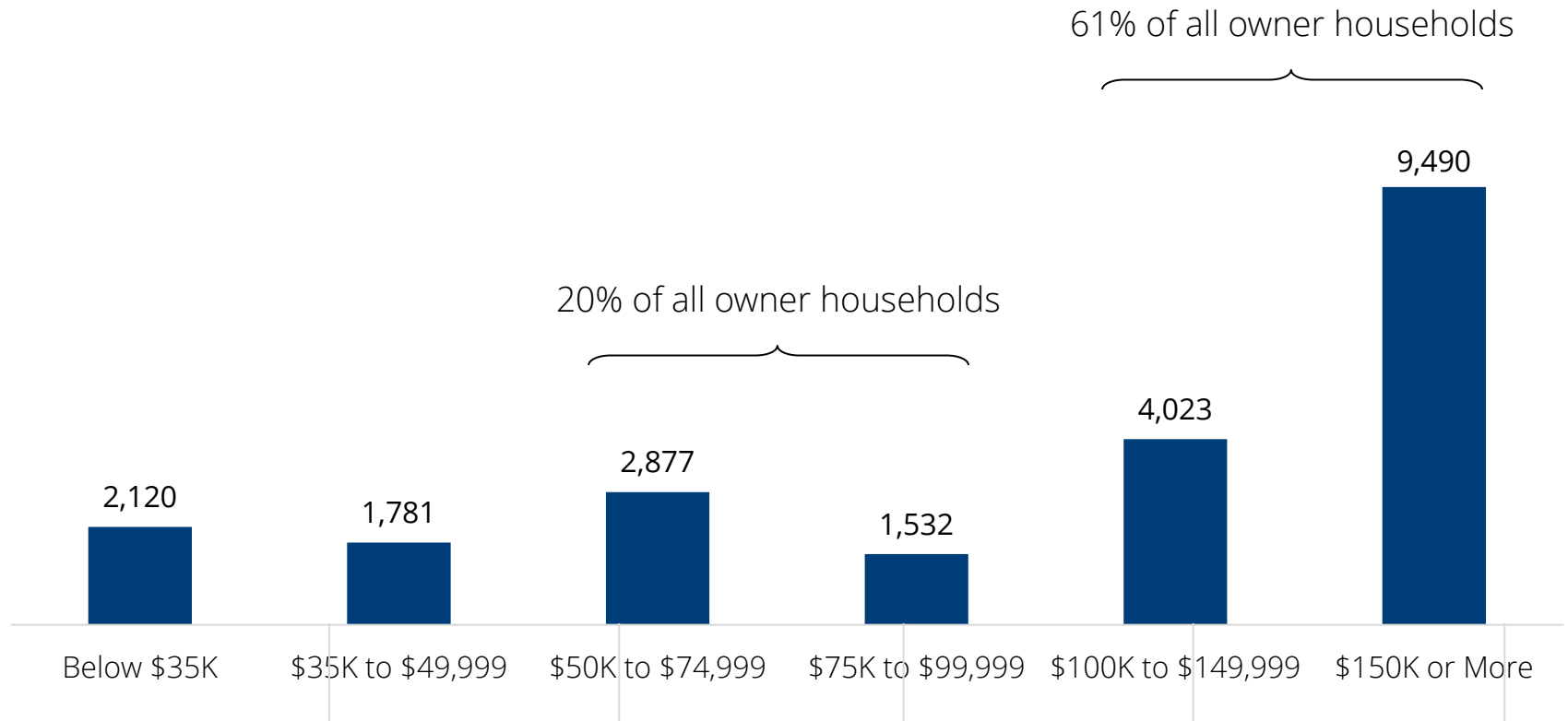


HOUSING NEEDS | HOUSING AFFORDABILITY

Only 20% of owner households have incomes between \$50K and \$100K, while 61% have incomes above \$100K. This indicates a limited supply of entry-level homes.

OWNER HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2018



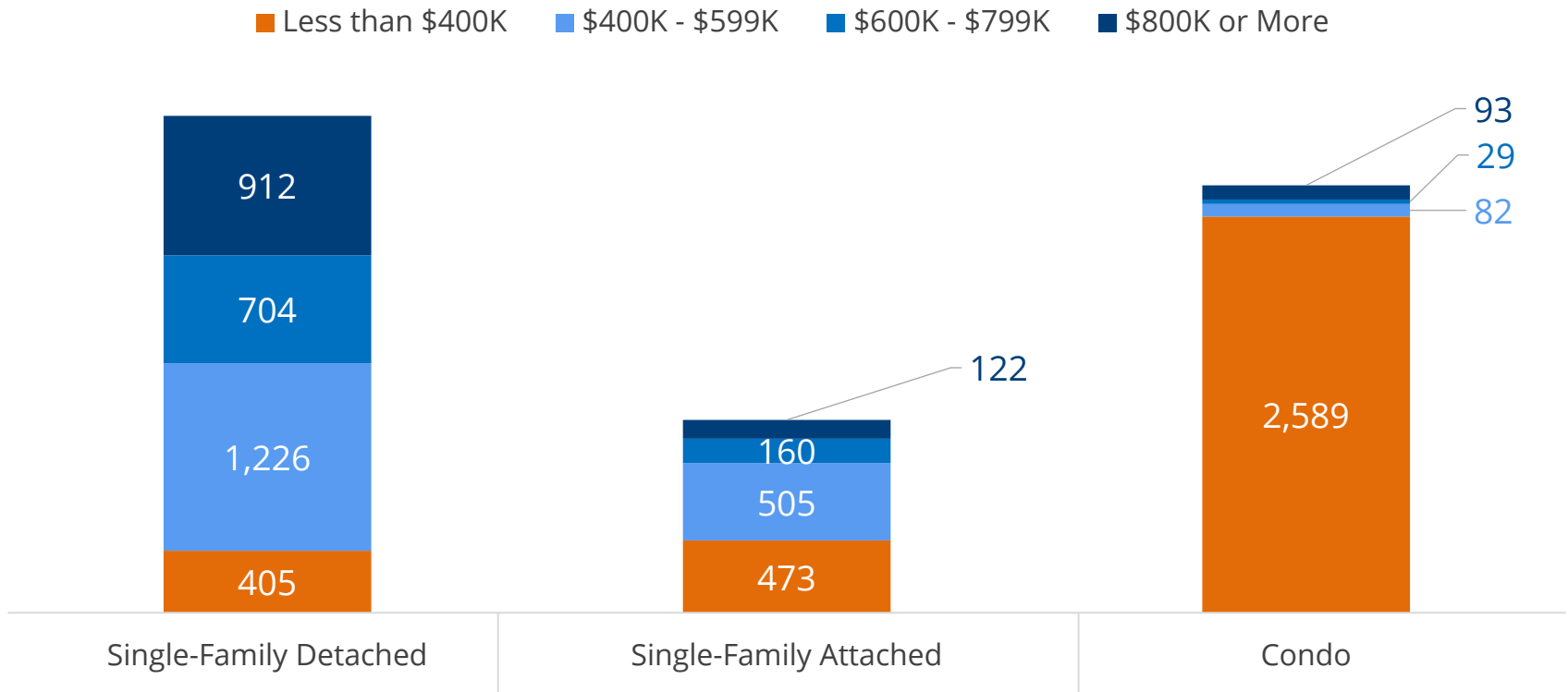


HOMEOWNER HOUSING NEEDS | HOME SALES

Between 2017 and 2019, 81% of single-family homes (attached and detached) were sold for more than \$400K, while 93% of condos were sold for less than \$400K.

HOME SALES BY SALE PRICE AND HOUSING TYPE

Sandy Springs, GA, 2017-2019



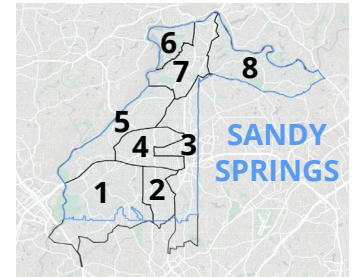
HOMEOWNER HOUSING NEEDS | SINGLE FAMILY SALES



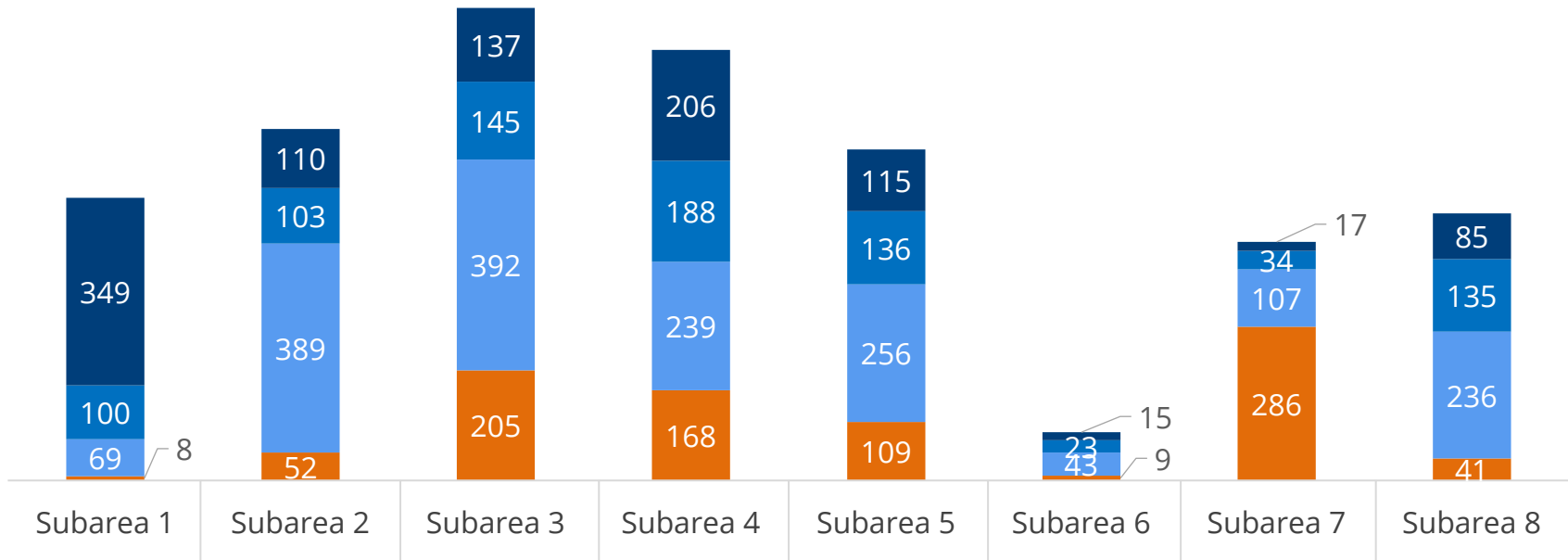
Most single-family homes were sold for over \$400K from 2017 to 2019. Sales in the \$400K - \$600K category tend to be transactions of older homes that may require renovation.

SINGLE-FAMILY (ATTACHED AND DETACHED) SALES BY SALE PRICE

Subareas, 2017-2019



■ Less than \$400K
 ■ \$400K - \$599K
 ■ \$600K - \$799K
 ■ \$800K or More



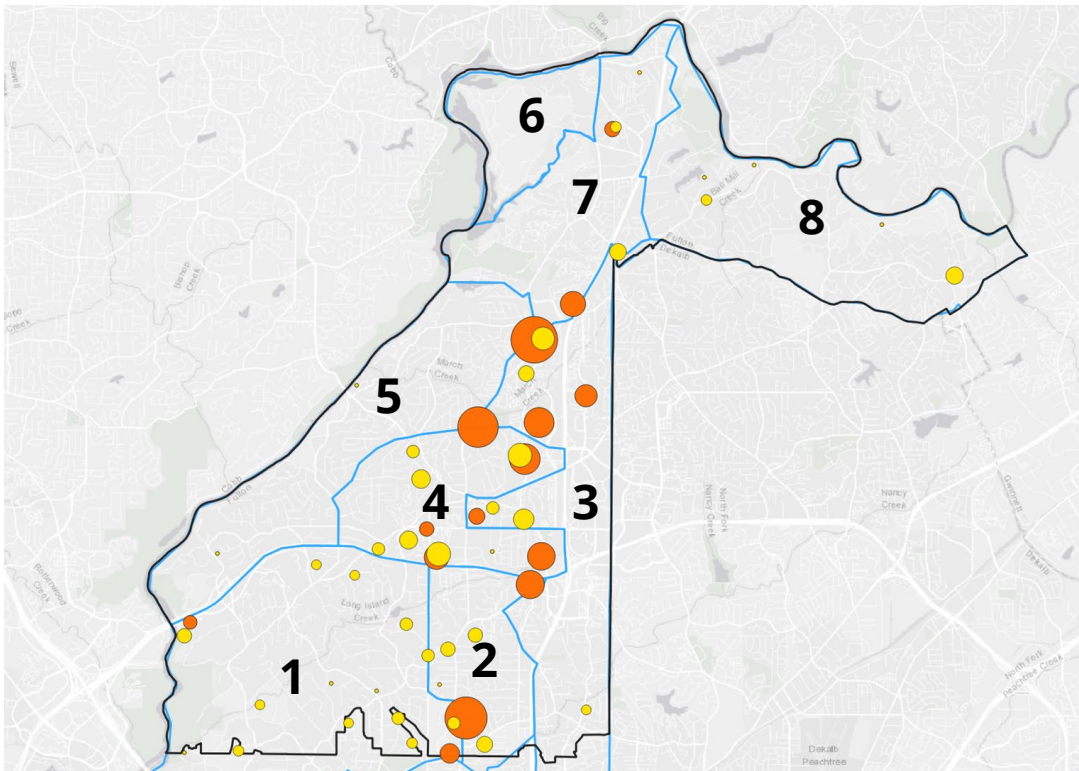
HOMEOWNER HOUSING NEEDS | NEW CONSTRUCTION



Between 2011 and 2020, 363 single-family homes and 1,127 townhomes were built in Sandy Springs. New construction was concentrated in Subareas 1, 2, 3, and 4. No multifamily condominium units were constructed in the past decade.

NEW HOMEOWNER CONSTRUCTION BY HOUSING TYPE

Sandy Springs, GA, 2011-2020



 Number of new units (circle size)

 Single-Family Detached

 Single-Family Attached (Townhomes)

Note: Does not include teardowns of single-family homes. 124 condominium ownership units were included as townhomes because they were constructed as townhome-style units and not multifamily condominium units.

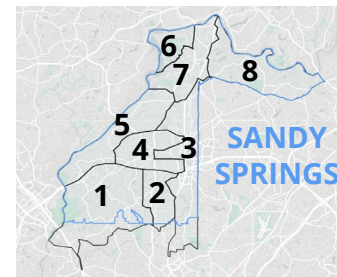
HOMEOWNER HOUSING NEEDS | NEW CONSTRUCTION SALES



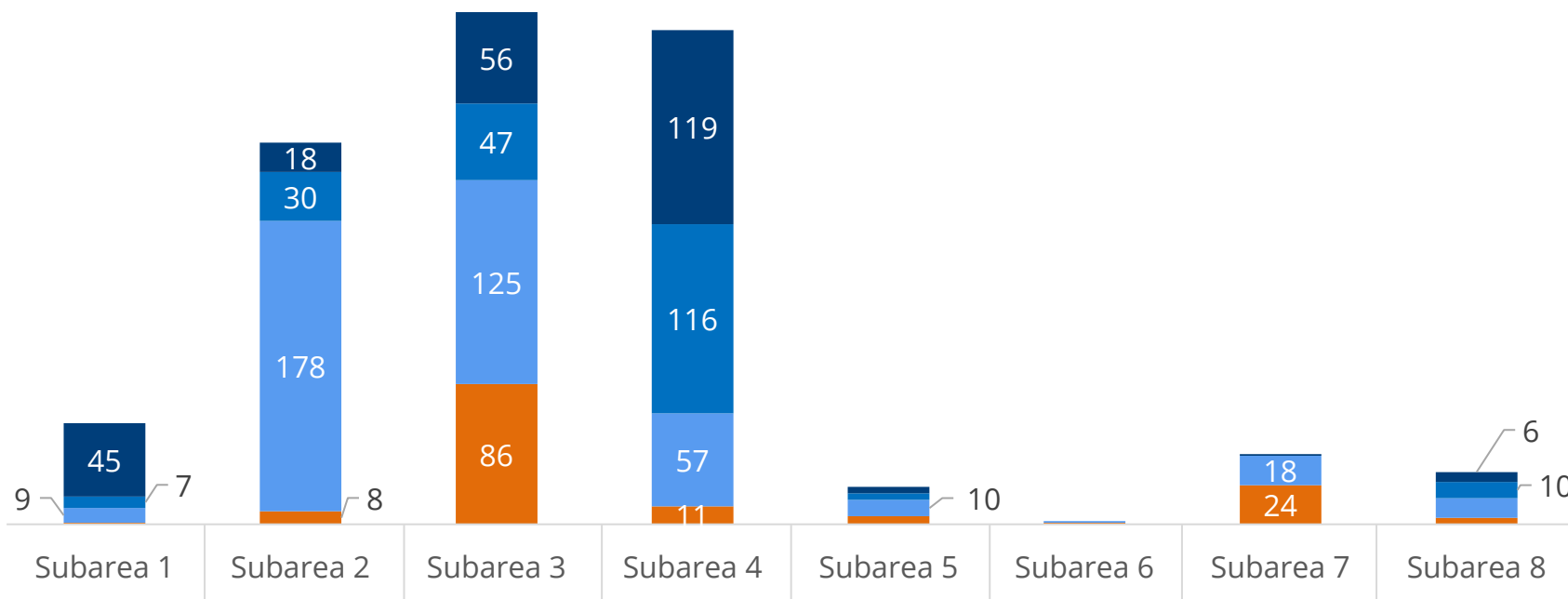
86% of new construction attached and detached single-family homes built within the last decade sold above \$400k in recent years.

NEW CONSTRUCTION (BUILT 2010-2020) SINGLE-FAMILY (ATTACHED AND DETACHED) SALES BY SALE PRICE

Subareas, 2017-2019



■ Less than \$400K
 ■ \$400K - \$599K
 ■ \$600K - \$799K
 ■ \$800K or More



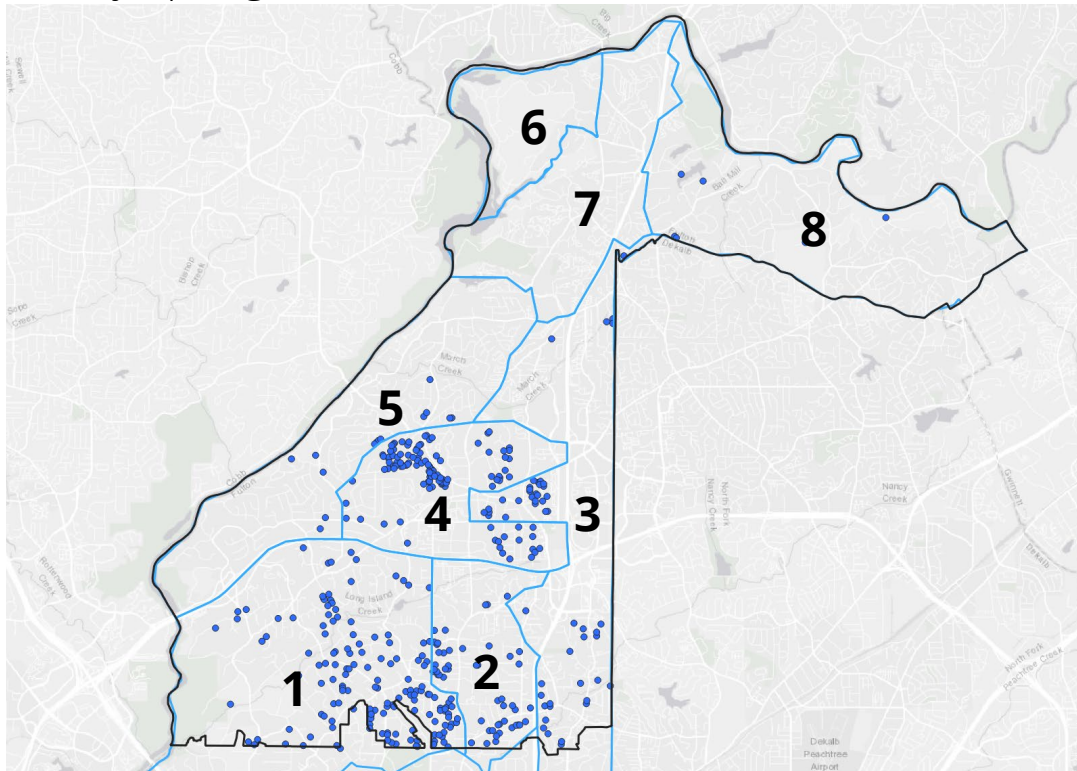


HOMEOWNER HOUSING NEEDS | NEW CONSTRUCTION

Between 2011 and 2020, an estimated 250 to 350 single family homes were demolished and replaced with new construction single family, referred to as “teardowns”.

SINGLE FAMILY HOMES DEMOLISHED AND REPLACED W/ NEW CONSTRUCTION SINGLE FAMILY, OR “TEARDOWNS”

Sandy Springs, GA, 2011-2020



● Single-Family Teardown

Note: Estimates based on Tax Assessor appraisals and reflect homes that were likely demolished and replaced using an HR&A methodology.



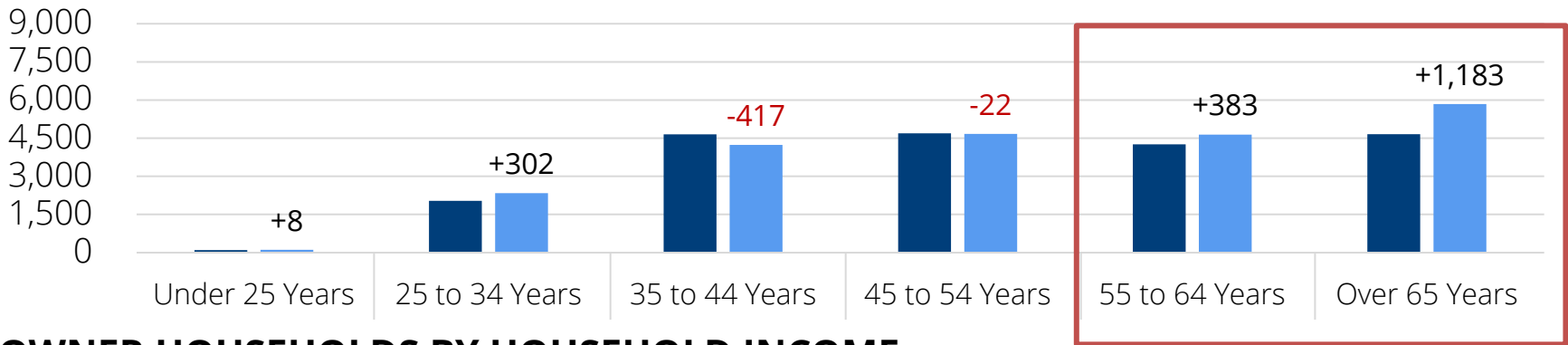
HOMEOWNER HOUSING NEEDS | AGE AND INCOME

Sandy Springs' homeowner population is aging and growing wealthier.

OWNER HOUSEHOLDS BY AGE OF HOUSEHOLDER

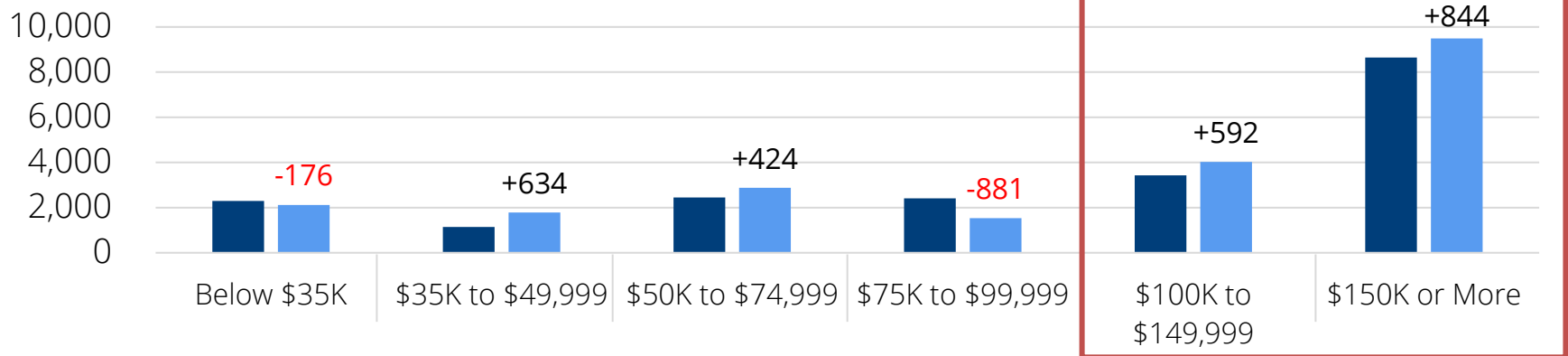
Sandy Springs, GA, 2011-2018

■ 2011 ■ 2018



OWNER HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2011-2018



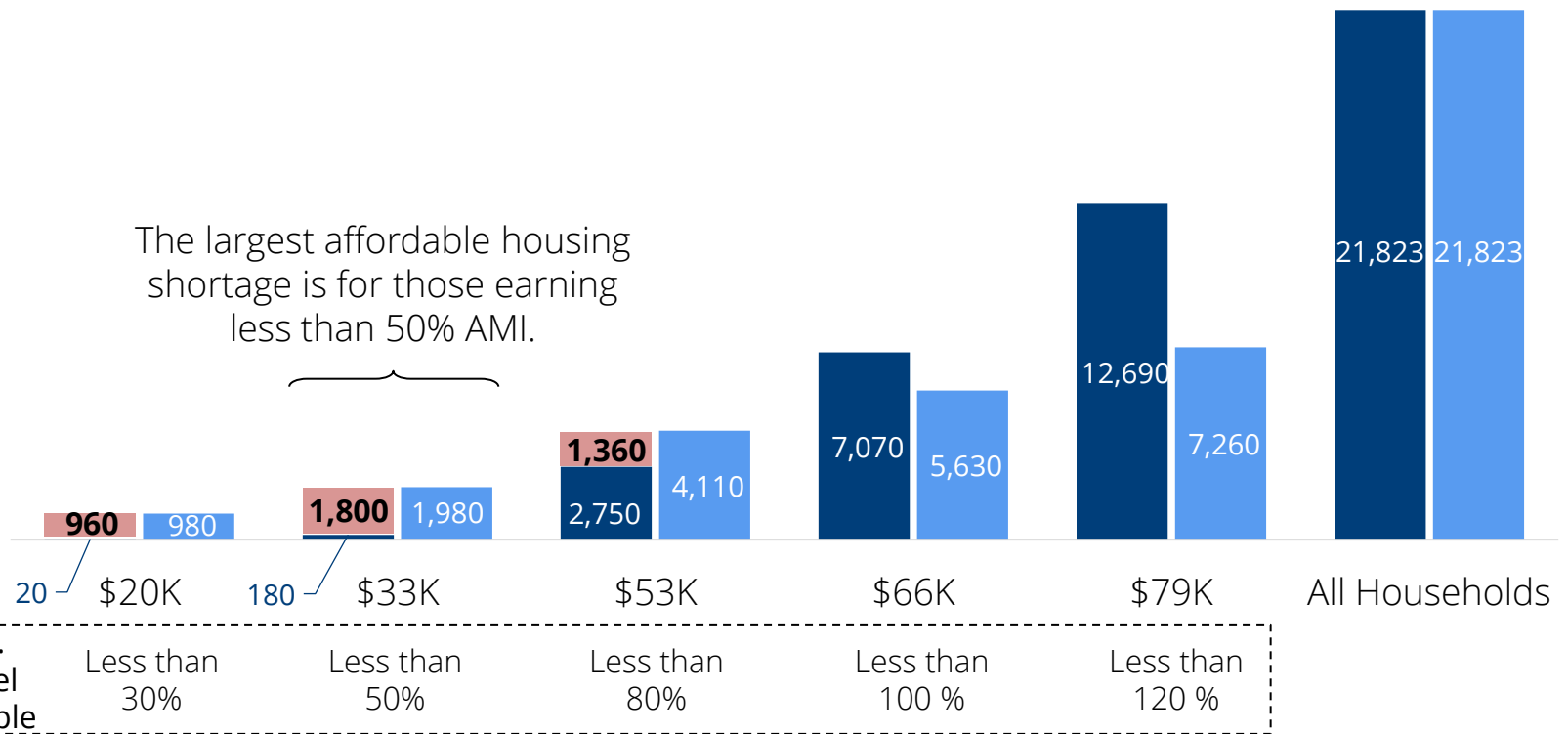
OWNER HOUSING NEEDS | HOUSING AFFORDABILITY

There is demand for 1,980 units at or below 50% AMI compared with 180 units selling at prices affordable to those income levels – a supply gap of 1,800 units.

OWNER UNITS AFFORDABLE TO HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2018

Supply Gap Supply Demand



Note: Maximum housing costs by AMI assumes an affordability level of 30% of gross income allocated to housing, including utilities. 2018 inflation adjusted values.



RENTER HOUSING NEEDS | SUMMARY

Displacement Concerns

Sandy Springs is losing housing for its most vulnerable renters. This is driven by the demolition of 1,000 units of older market rate housing over the past decade and renovations of older multifamily stock which causes rent increases. As a result, renters earning less than \$50,000 annually are leaving Sandy Springs due to increasing housing costs and decreasing housing supply.

Limited New Development

Sandy Springs' code restrictions drive up construction costs and reduce multifamily development, lower household growth, and raise housing costs. These restrictions also remove the ability of the City to support new walkable urban-style development, like City Springs.



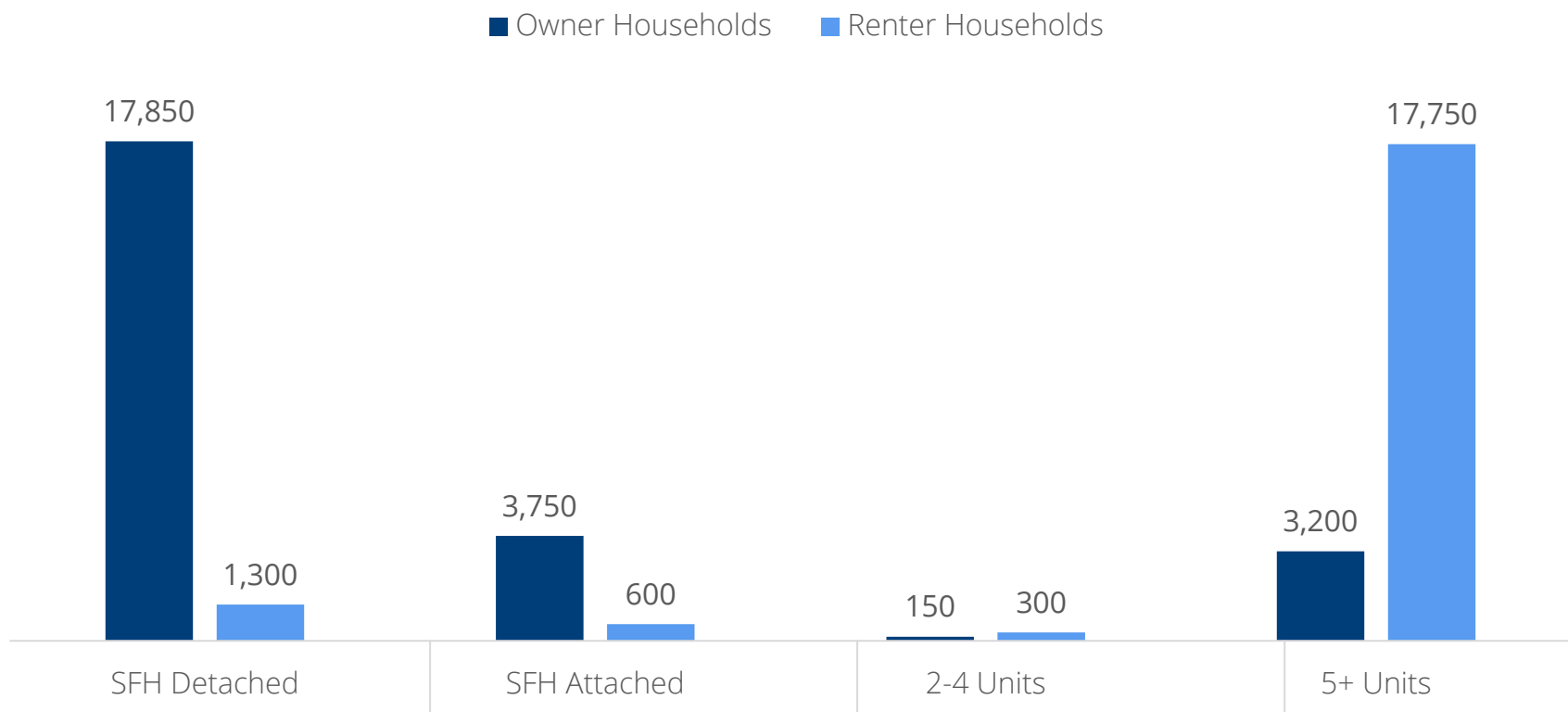


DEMOGRAPHIC TRENDS | TENURE BY HOUSING TYPE

72% of owner households live in single-family detached homes, while 89% of renter households live in buildings with more than 5 units.

UNITS IN STRUCTURE

Sandy Springs, GA 2018





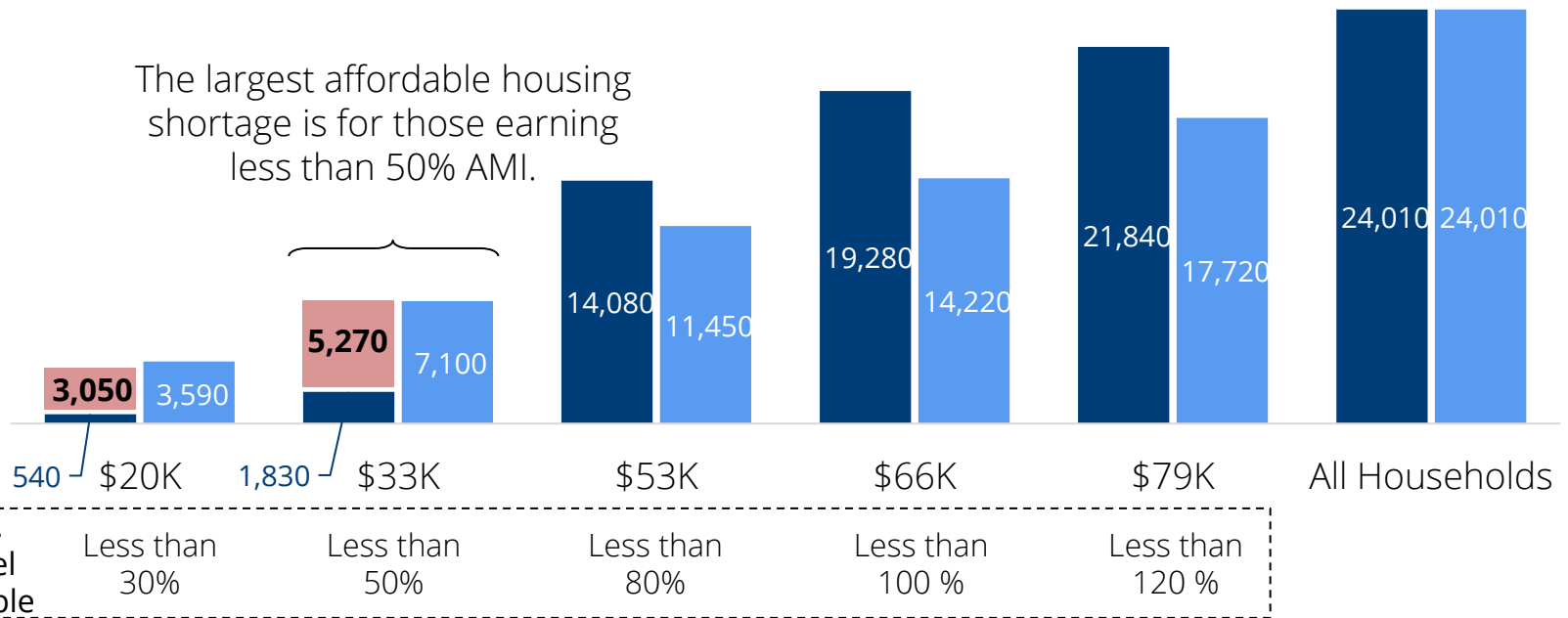
RENTER HOUSING NEEDS | HOUSING AFFORDABILITY

There is demand for 7,100 units at or below 50% AMI compared with 1,830 units renting at these rates within the City – a supply gap of 5,270 units.

RENTAL UNITS AFFORDABLE TO HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2018

■ Supply Gap ■ Supply ■ Demand



Note: Maximum housing costs by AMI assumes an affordability level of 30% of gross income allocated to housing, including utilities. 2018 inflation adjusted values.

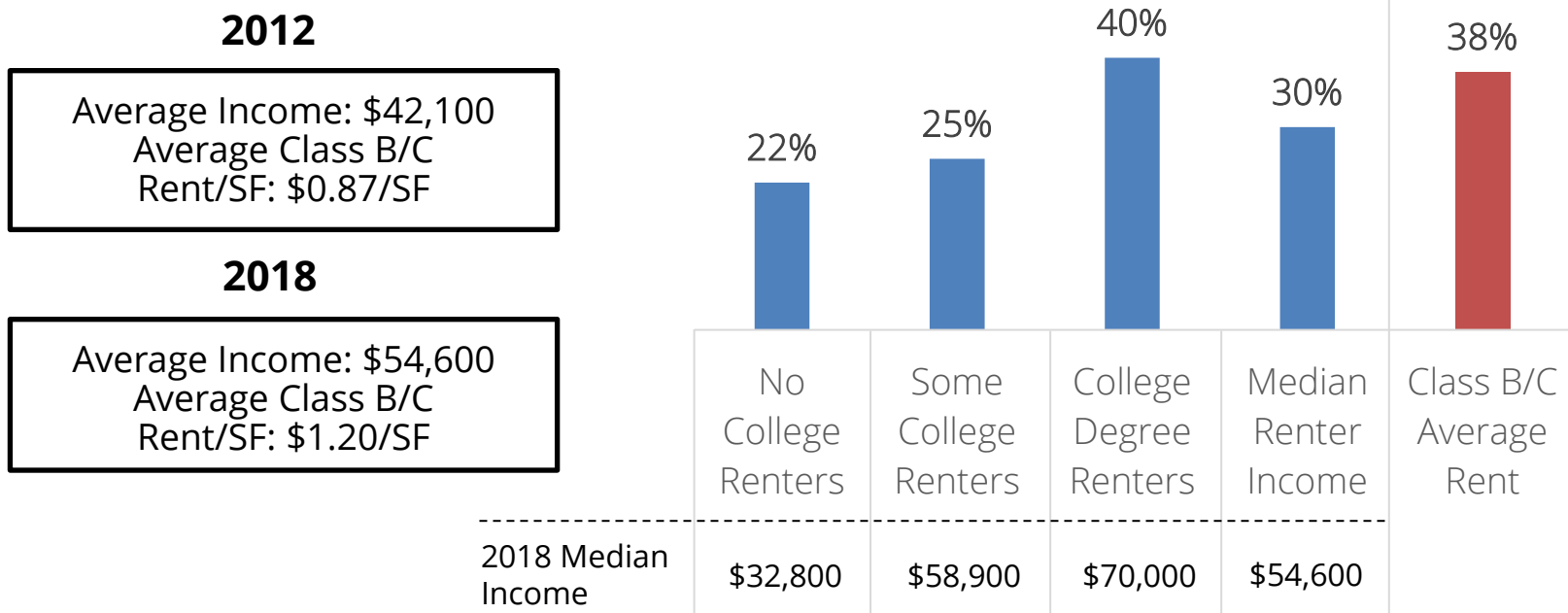
RENTER HOUSING NEEDS | RENT AND INCOME INCREASES



Rents among Class B and C apartments are steadily increasing in Sandy Springs faster than incomes for all groups except renters with college degrees. Displacement is caused when rent increases occur faster than income growth.

CHANGE IN RENTER INCOMES AND RENT

Sandy Springs, GA, 2012-2018



Note: Rent to income % based on 1,050 SF unit.



HOUSING MARKET | DEMOLISHED APARTMENTS

Between 2010 and 2020, 1073 market rate multifamily units were demolished due to redevelopment. In total, these four apartment communities were replaced with 1190 multifamily units, 187 townhomes, and 120k SF of office/commercial.



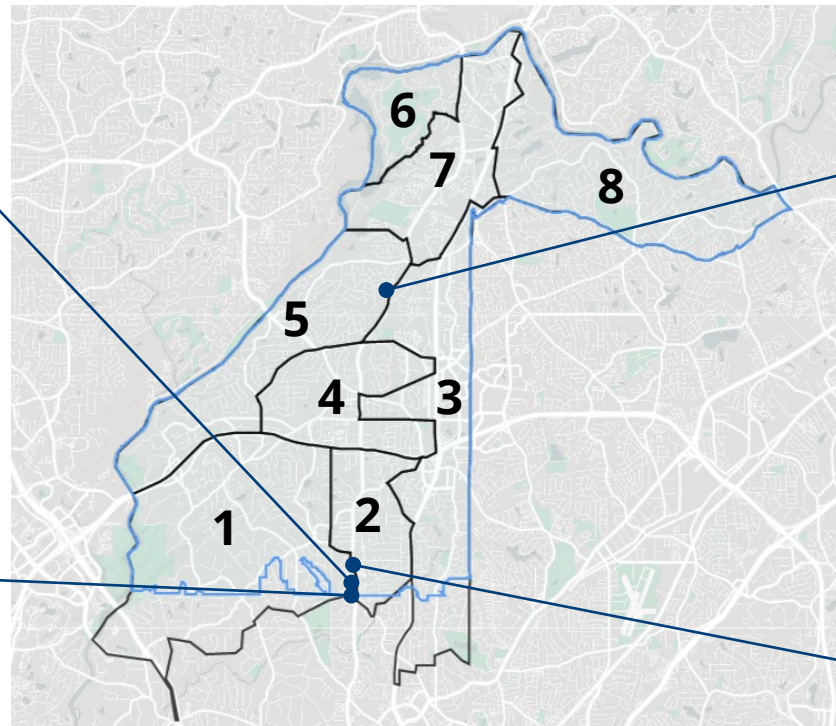
Versailles
Apartments
Demolished: 2013



The Chastain
461 Units
Demolished: 2013

DEMOLISHED MULTIFAMILY APARTMENTS

Sandy Springs, GA, 2010-2020



Provence North
120 Units
Demolished: 2015



Park 225
320 Units
Demolished: 2015

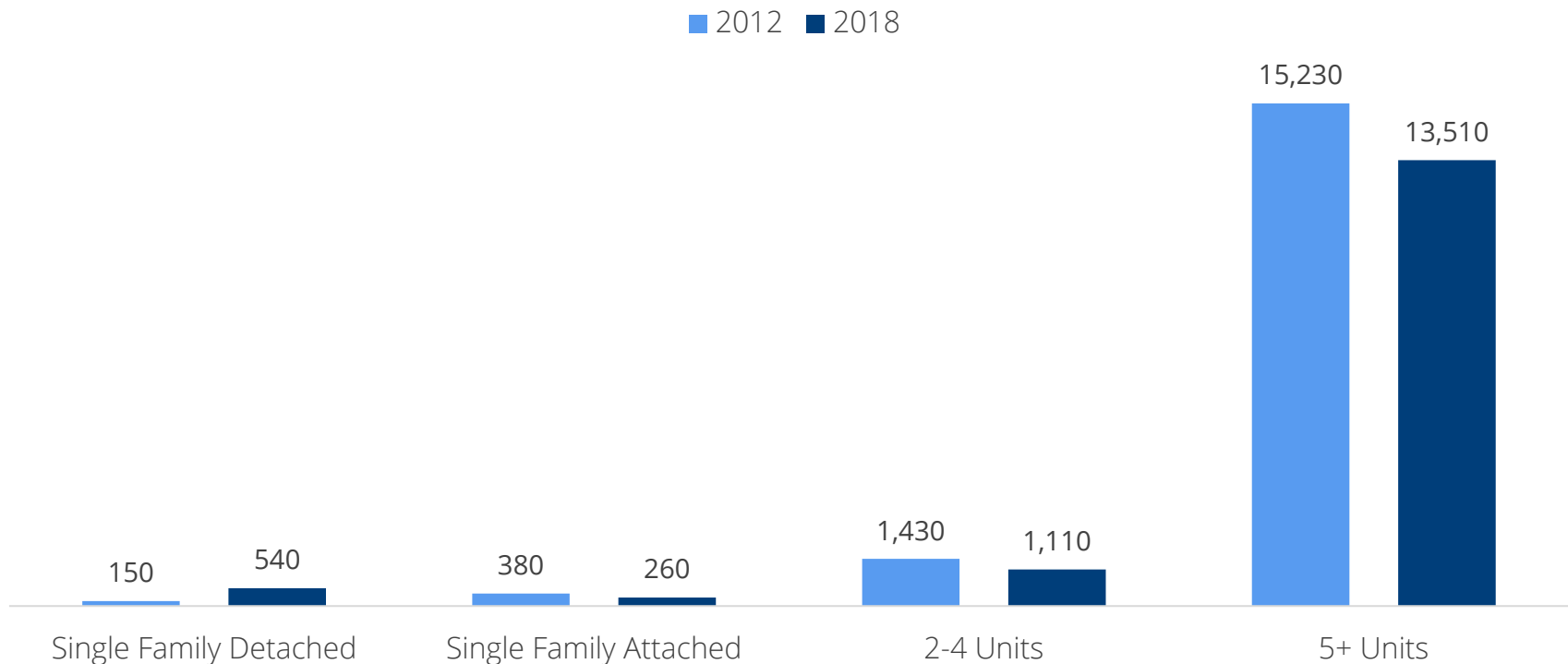


RENTER HOUSING NEEDS | 80% AMI

Although the number of renter households increased, the number of rental units, particularly multifamily, renting at less than 80% AMI across all household sizes has decreased since 2012.

RENTAL UNITS LESS THAN 80% AMI

Sandy Springs, GA, 2012-2018



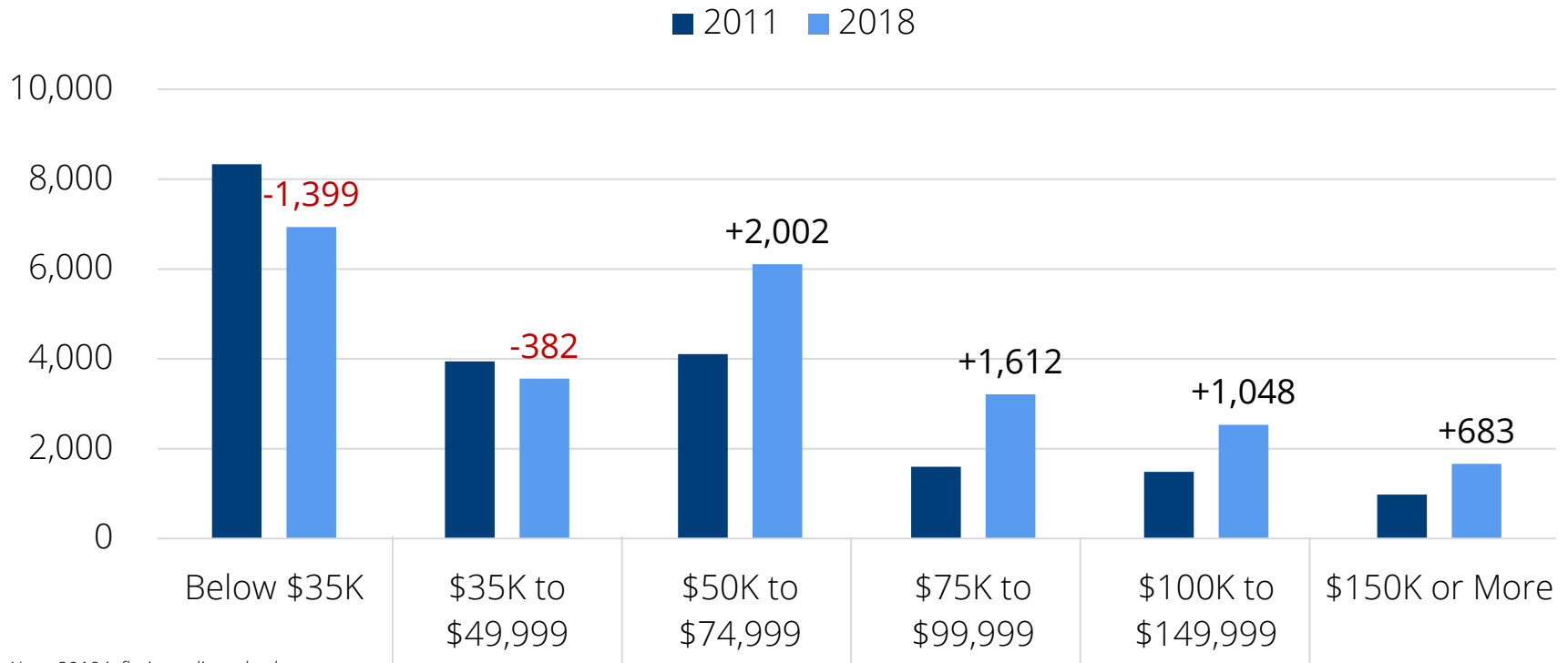


RENTER HOUSING NEEDS | HOUSING AFFORDABILITY

Since 2011, renter households earning less than \$50K annually have decreased by 1,800, an indicator that displacement of lower income households is occurring in Sandy Springs.

RENTAL RATE BY HOUSEHOLD INCOME

Sandy Springs, GA, 2011-2018



Note: 2018 inflation-adjusted values.

RENTER HOUSING NEEDS | NEW DEVELOPMENT



The building code amendment which requires concrete construction for new development above three stories or buildings greater than 100,000 SF has largely stopped new multifamily development in Sandy Springs.

CONCRETE CONSTRUCTION DEVELOPMENT FEASIBILITY

Atlanta, GA, 2020

Rents in Sandy Springs are generally **not feasible** for concrete development.

\$2.00

Sandy Springs

\$2.80

Buckhead (Highrise)

\$2.60

Highrise Rent Development
Feasibility Threshold

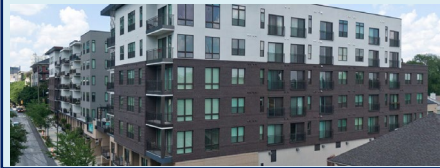
CORTLAND (SS)

387 Units | 2018
Avg. \$/SF | \$1.93
Midrise



BROADSTONE MIDTOWN

218 Units | 2017
Avg. \$/SF | \$2.15
Midrise



AML I LENOX (BUCKHEAD)

391 Units | 2019
Avg. \$/SF | \$2.77
Highrise



EMPLOYER HOUSING NEEDS | SUMMARY



Workforce Attraction

Service/essential industry employers face significant recruitment and retention challenges due to high housing costs and limited public transportation. Over time, these workforce attraction concerns are likely to trickle up to moderate-income employers.

Regional Employment Center

Sandy Springs' status as a net workforce importer is threatened by increased housing costs. The city's cost of living and quality of life advantages, valued highly by employers, are at risk if lower- and moderate-income households cannot afford housing in Sandy Springs.





- Service/Essential worker employers based in Sandy Springs are **concerned with workforce attraction and retention.**
- Employers focused on jobs earning over \$50,000 annually expressed support for an **increase in diversity of housing options**, particularly townhomes and walkable nodes.
- Employers noted employees often live outside of Sandy Springs and commute upwards of one hour each way. **As traffic increases, there are concerns regarding continued workforce attraction and retention.**

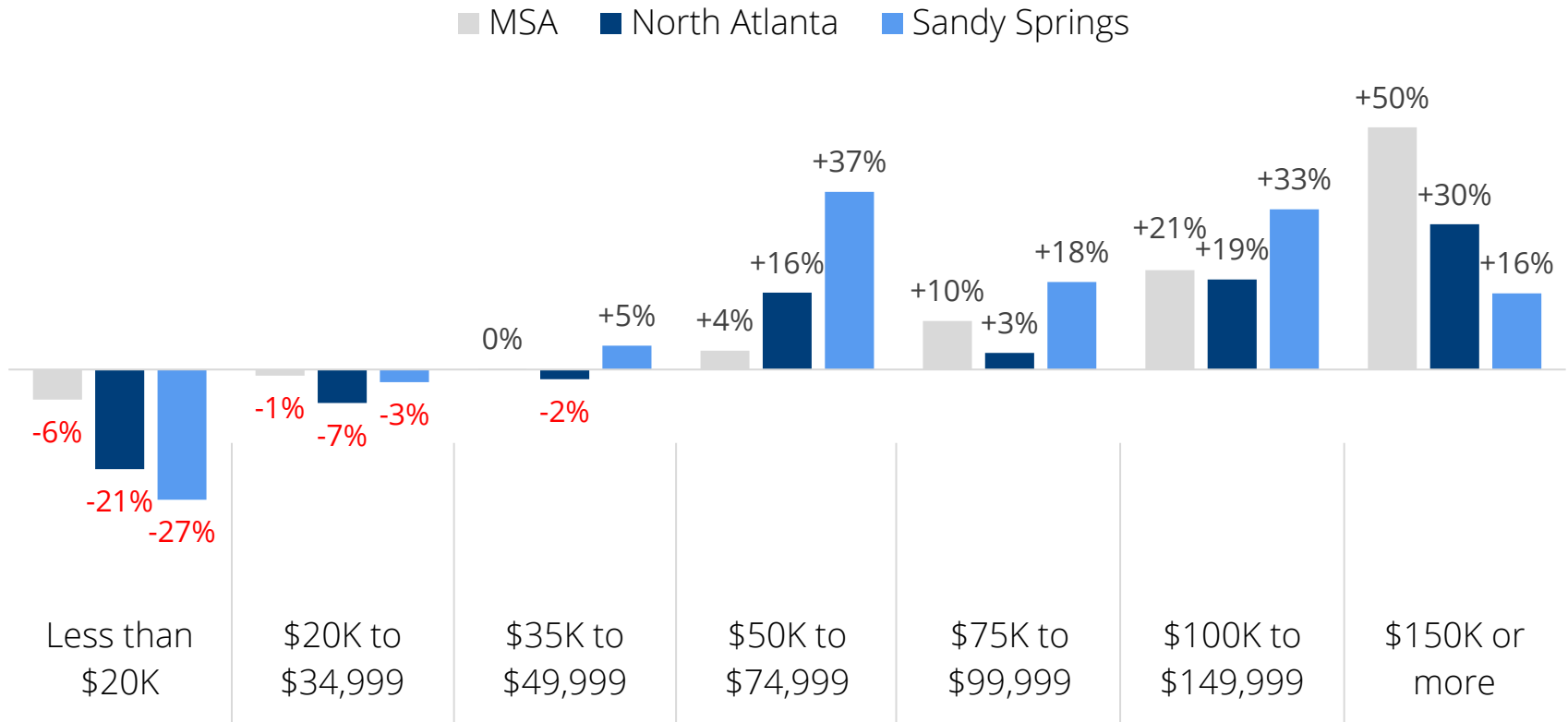
EMPLOYER HOUSING NEEDS | HOUSEHOLD INCOME



Sandy Springs is attracting households earning above \$50K, supporting employment at this income level.

HOUSEHOLD GROWTH BY INCOME

MSA, North Atlanta, and Sandy Springs, GA 2011-2018



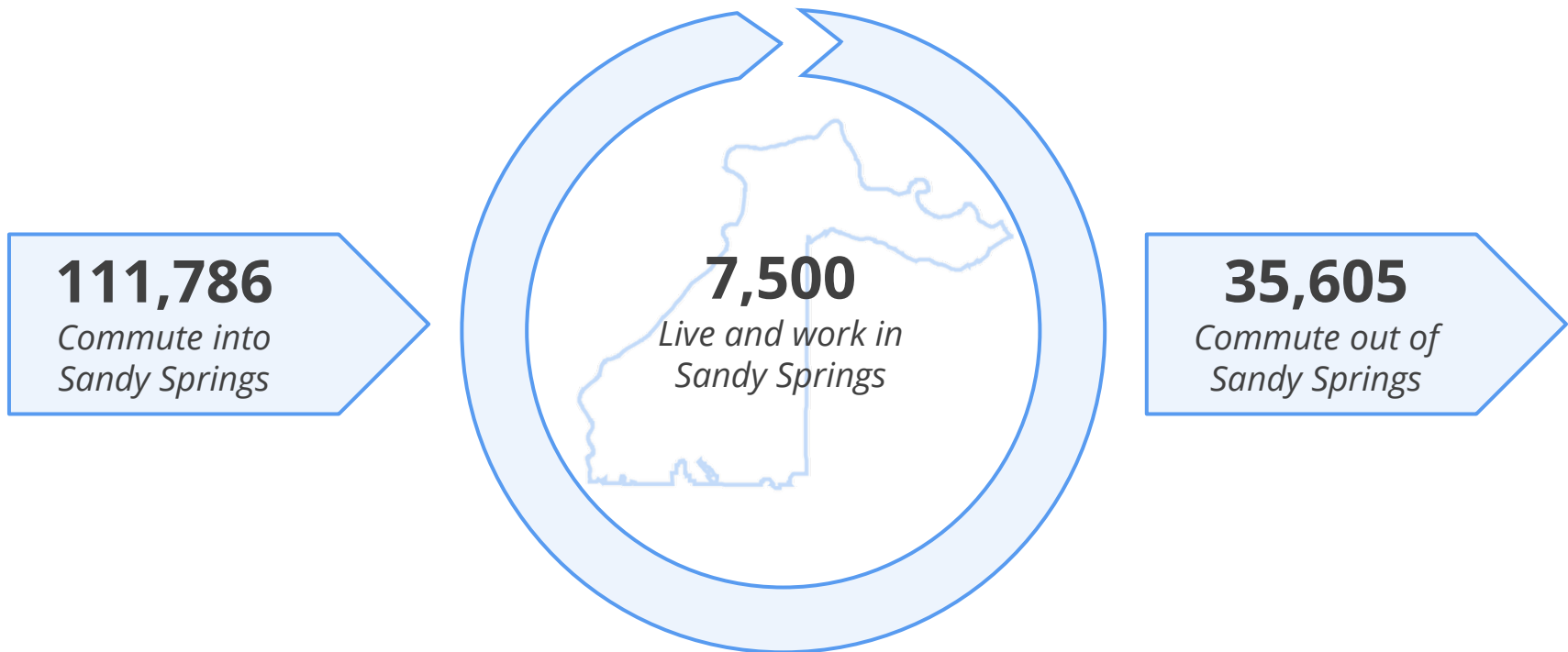
EMPLOYER HOUSING NEEDS | GEOGRAPHY OF JOBS



Housing supports Sandy Springs' status as a regional employment center. Residents primarily commute outside of Sandy Springs while workers in Sandy Springs tend to commute into Sandy Springs.

INFLOW/OUTFLOW OF (PRIVATE PRIMARY) JOBS

Sandy Springs, GA, 2017



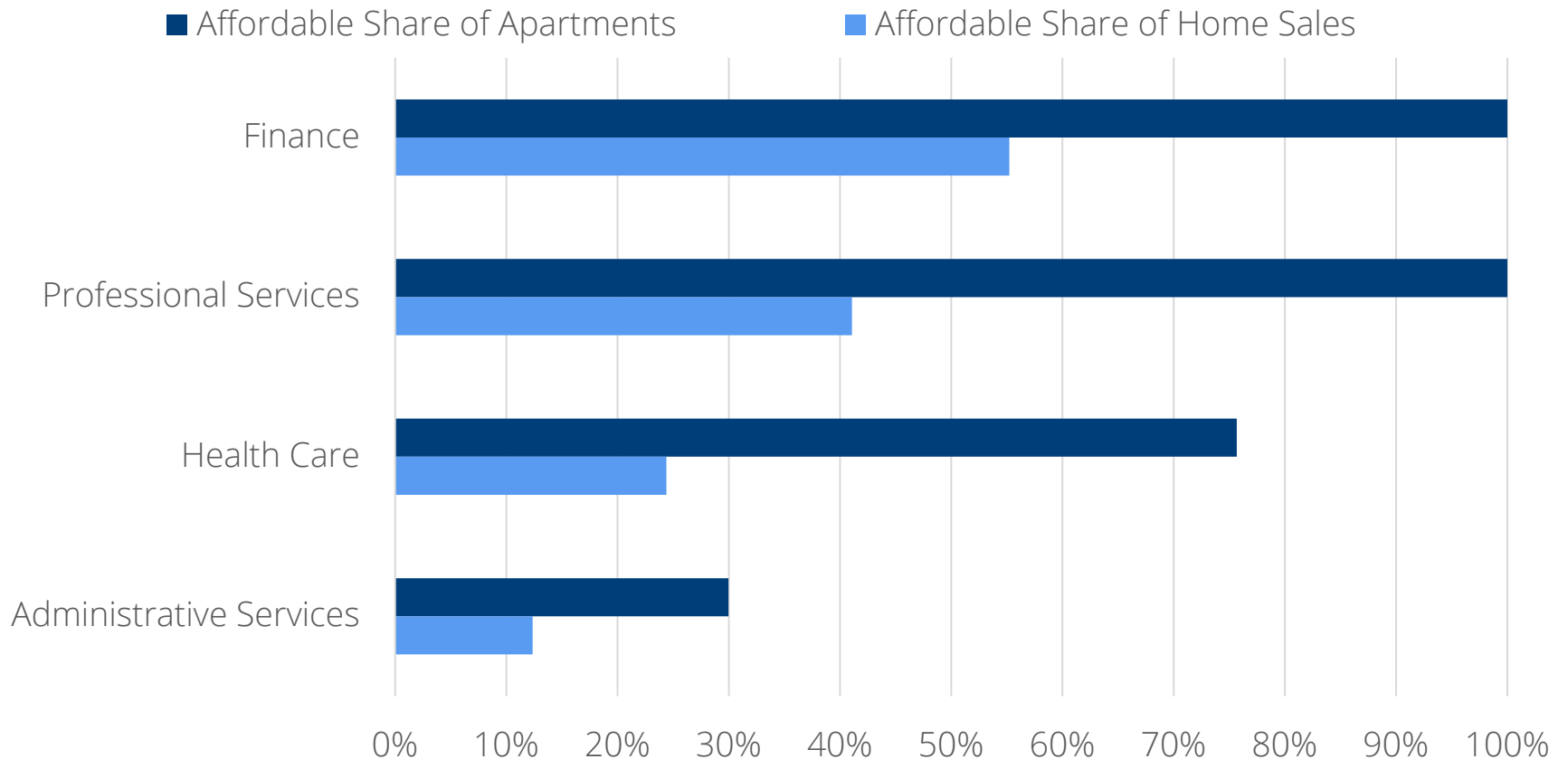
EMPLOYER HOUSING NEEDS | AFFORDABLE UNITS



Employees in the top industries of Sandy Springs can typically afford an apartment, but struggle to afford purchasing for-sale product.

AFFORDABLE UNITS BY INDUSTRY AND TENURE

Sandy Springs, GA, 2020



Note: home sales reflect time period 2017-2019

SUMMARY | KEY FINDINGS

Homeowner Needs

- 1 Entry Level Housing**
Sandy Springs lacks “entry-level” single-family homeownership opportunities below \$400K.
- 2 Aging Population**
Sandy Springs homeowners are increasingly becoming older as the city is becoming less accessible to young and middle-aged families.

Renter Needs

- 3 Displacement Concerns**
Renters earning less than \$50,000 annually are leaving Sandy Springs due to increasing housing costs and decreasing housing supply below 60% AMI.
- 4 Limited New Development**
Sandy Springs’ code restrictions drive up construction costs and reduce multifamily development, resulting in a reduced tax base, lower household growth, and higher housing costs.

Employer Needs

- 5 Workforce Attraction**
Service/essential industry employers face significant recruitment and retention challenges due to high housing costs and limited public transportation.
- 6 Regional Employment Center**
The city’s cost of living and quality of life advantages, valued highly by employers, are at risk if lower- and moderate-income households cannot afford housing in Sandy Springs.

END

Civic Dinners

November 3, 2020

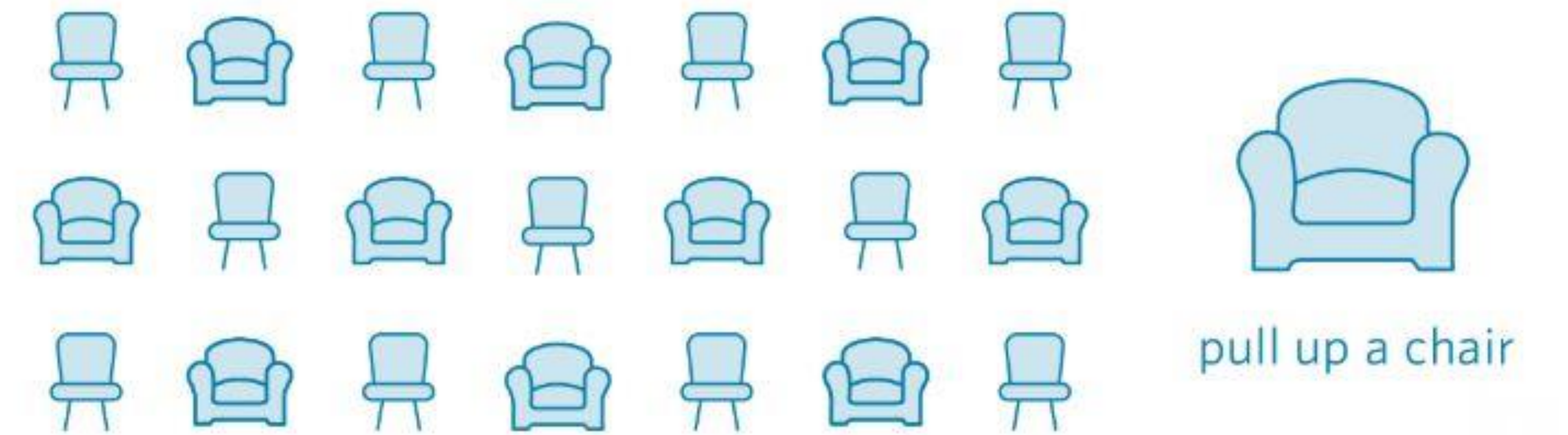


SANDY SPRINGS™

GEORGIA

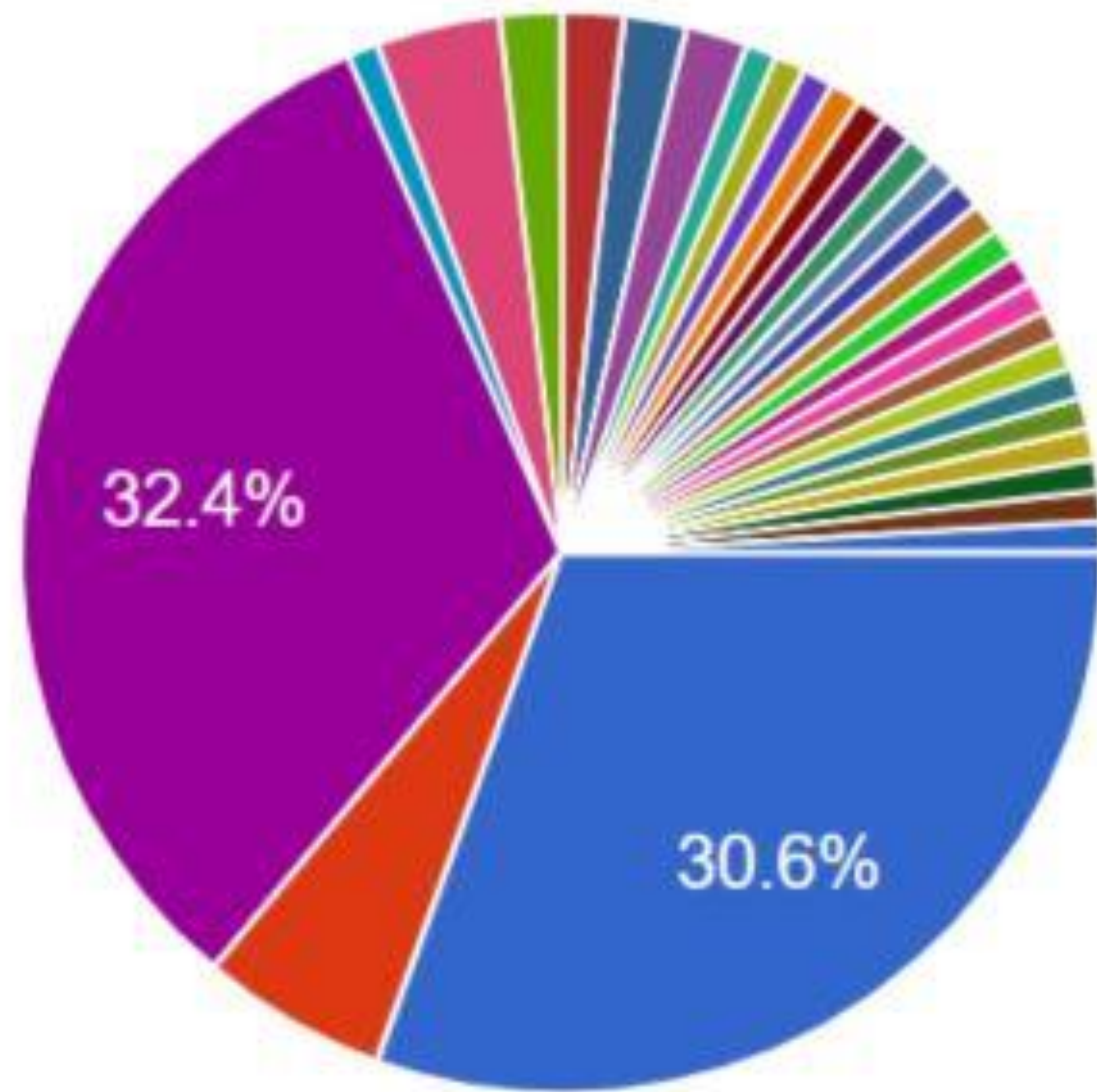
Sandy Springs Civic Dinners: Inclusion & Belonging

- 44 Dinners
- 341 Attendees
- 44 Note takers
- Dinners held in English and Spanish
- Diverse marketing and evaluation committees



We cordially invite you help us build community and foster inclusion by better understanding one another. Join our civic conversations on diversity and inclusion.

How Did You Learn about the Dinners



- City of Sandy Springs e-newsletter
- Facebook
- Twitter
- Instagram
- Friend or colleague
- Local news
- IDEA Council
- Community Assistance Center

What does inclusion mean to you?

Diversity is being invited to the party, inclusion is being asked to dance

Everyone has access to the same things - all groups knowing and interacting with each other

Every group, decision, action is seen through the lens of awareness of the members of my community

Acknowledgement, embracing of people that look or think differently than myself and larger society

Affordable and equitable housing

Theme: Invitation

- Feeling Welcome
- A Seat and a Voice at the Table
- Acceptance
- Intentionality

Do you believe Sandy Springs is inclusive?

A majority indicated “no,” but acknowledged efforts

Does not feel inclusive to me, I think partially because of class issues

I believe COSS is 50/50 because, it is still a new city, it is still growing and maturing, it needs to be more involved with everyone to see what a city is to them

We are diverse, but there is a lot more we could do on many levels to be inclusive.

Creating an equitable experience for all citizens in the city

Need more diversity (in events and programming)

Inclusion = equality for all. I believe Sandy Springs is not inclusive of the lower income individuals and families.

Theme: Division

- Income segregation
- Affordability
- Diversity in leadership

What actions are you willing to take?

Be less judgmental

Advocate for safe, diverse and inclusive communities and work environments where EVERYONE can thrive

Volunteer

Reach out to neighbors

Participate more; go to city council meetings

Continue civic discussions

Vote

Theme: Platform

- A place to meet, learn, speak up, speak out
- Opportunities to connect
- Engagement

What actions should city leaders take?

More programs to highlight our communities rich tapestry and maintain the socioeconomic diversity we are so lucky to have

Diversify leadership

Diversity committee

Continue citizen academies; more police | resident programs

More diverse programs in PAC; more local acts; more low-cost events

More Civic Dinners

Put money into affordable housing

Theme: Access

- Diversity & Inclusion Officer | Committee
- More Events
- Expanded Representation
- More Affordable Housing

Next Steps for Consideration

Civic Engagement: Diversity & Inclusion Committee

- Comprised of community members & city staff
- Provide ideas and feedback on topics related to inclusion and diversity
- Serve as advocates by building, engaging and mobilizing positive strategies of inclusion and increased civic engagement
- Assist in building trust, relationships and partnerships within the community to better understand and identify barriers and further goals

Civic Engagement

- Explore weekend Citizens on Patrol & Police Academy programs targeting underserved markets
- Build a network of mentors in each of the City's target industries, focusing on developing women, minority and young business owners to reach the City's diverse business base
- Continue live-streaming city council meetings
- Continue Civic Dinners
- City 101 Community Program
 - Efforts already underway
 - Prioritize development for a Spring 2021 launch

Increase Diversity of Programming

- Include diverse programming in 2021 Season at City Springs
 - Explore ticket pricing opportunities to make more affordable
- Explore opportunities to add a cultural festival or event in 2021

Affordable Housing

- Housing Study Underway
- North End Redevelopment Planning Underway

Future Conversation Options

Common Ground:
American Values

Power and Privilege:
Creating Equity

Understanding Race:
Inclusive Community

Intersectionality:
Identity is More than Race or Gender

