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## The Final Report of the Georgia House Study Committee on Workforce Housing

### Committee Members

**Vance Smith, Chairman**  
Representative, District 133

**James Beverly**  
Representative, District 143

**John Corbett**  
Representative, District 174

**Tom McCall**  
Representative, District 33

**Jason Ridley**  
Representative, District 6

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The Study Committee on Workforce Housing was created by HR 591 (2019) to review the existing and current practices relating to locally adopted residential design mandates for the purposes of protecting private property rights, allowing for consumer choice, and encouraging the development of affordable housing options.

Study Committee Meeting Dates/Locations:

MEETING ONE

**Monday, September 30, 2019**

Athens Technical College  
800 US-29 Athens, GA 30601

MEETING TWO

**Thursday, October 10, 2019**

Southern Regional Technical College  
52 Tech Drive Tifton, GA 31794

MEETING THREE

**Tuesday, November 5, 2019**

University of North Georgia  
Library Technology Center  
122 Thompson Circle SW Dahlonega, GA 30597

MEETING FOUR

**Thursday, December 5, 2019**

Coverdell Legislative Office Building  
Atlanta, GA 30334

Presenting Speakers:

Rep. Spencer Frye (HD 118)  
Ryan Willoughby – Executive Director  
**Habitat for Humanity of Georgia** <sup>(1)</sup>

Sam Shenbaga  
Director of Community Development  
**Atlanta Regional Commission** <sup>(2)</sup>

Brittany Holtzclaw  
Director of Global Commerce  
**Georgia Department of Economic  
Development** <sup>(3)</sup>

Rope Roberts  
Community Economic Development  
Manager, NE Region  
**Georgia Power** <sup>(4)</sup>

Tonya Cureton-Curry  
Deputy Commissioner  
**Georgia Dept. of Community Affairs** <sup>(5)</sup>

Michael Paris – President & CEO  
Paul Corley – Chairman of the Board  
**Council for Quality Growth** <sup>(6)</sup>

Commissioner Jeff Rader – Dekalb County  
Chairman John Daniel – Oconee County  
Todd Edwards  
**Association of County Commissioners of  
Georgia** <sup>(7)</sup>

Charlotte Davis  
Pete Pyrzenski, City Manager – Tifton  
**Georgia Municipal Association** <sup>(8)</sup>

Tom Beyer  
Director of Government Affairs  
**Georgia Forestry Association** <sup>(9)</sup>

Jim Summerbell – President  
**Georgia Planning Association** <sup>(10)</sup>

John Clingerman – Certainteed Corp.  
Matt Dobson – Vice President  
**Vinyl Siding Institute** <sup>(11)</sup>

Cathy Williams – President  
**NeighborWorks Columbus** <sup>(12)</sup>

Terry Lunn  
Hazard Mitigation Division Director  
**Georgia Emergency Mgmt. Agency** <sup>(13)</sup>

Austin Hackney  
Government Affairs Director  
**Home Builders Association of Georgia** <sup>(14)</sup>

Kyle Hood – Community Development  
Ted Miltiades – Construction Codes  
**Georgia Dept. of Community Affairs** <sup>(15)</sup>

Haydon Stanley  
Stan Wall – HR & A Advisors  
**Georgia Apartment Association** <sup>(16)</sup>

Maureen Bosard – President  
Rick Darlington – Immediate Past President  
Mo Thrash  
**Mortgage Bankers Assc. of Georgia** <sup>(17)</sup>

Rusty Sewell  
**EIFS Industry Members Association** <sup>(18)</sup>

Jimmy Cotty  
**Ready Mix Concrete Association  
Georgia Manufactured Housing Assc.** <sup>(19)</sup>

John Hunt– Principal  
**MarketNsight** <sup>(20)</sup>

Frank Norton, Jr. – President  
**The Norton Agency** <sup>(21)</sup>

## PART ONE

# NEED FOR WORKFORCE HOUSING IN GEORGIA

### Why is homeownership important for the people of Georgia?

Homeownership can change the trajectory of a person's life in a positive way. Habitat for Humanity has worked in Georgia since 1976 to help 7,466 families obtain sustainable, affordable home ownership. They have found that after becoming homeowners:

- 90% noticed a positive change in their kids' study habits.
- 60% say they are more confident that they'll be able to send their children to college.
- 43% have started or completed higher education or training programs.
- More than 80% feel more financially secure than before.
- 74% are better able to save money.
- 71% are better able to pay bills on time.
- Nearly 70% of those who received public assistance have reduced or eliminated their need for it. <sup>(1)</sup>

### Housing Is Important to Georgia's Economy

Housing is important to Georgia's economy both as an economic driver industry and as a necessary recruitment tool for business expansion and relocation.

In FY19, the Georgia Dept. of Economic Development facilitated the creation of over 28,000 jobs and \$7.4 billion in capital investment through 566 active projects in 419 locations. <sup>(3)</sup> These new or expanded businesses will need housing for their new employees at all price points. In fact, for every two new jobs created in Georgia, one new housing unit is required. <sup>(21)</sup> To attract the talent and the workforce for the medical, manufacturing, and service sectors, we have to have appropriately priced housing to meet what those industries are being paid. <sup>(4)</sup> Communities that want to attract young workers need to work with developers to provide a product that millennials want, not what the community wants to provide them. <sup>(4)</sup> Workforce housing is critical to economic growth and so-called "sustainable growth" requires a balance of housing and maintenance of community standards. <sup>(7)</sup> We have a workforce housing shortage in the Southeast, the Nation, and specifically Georgia. <sup>(3)</sup>

A healthy residential construction industry has a huge economic impact on the state of Georgia. In 2018, over 40,000 single family home building permits were pulled statewide. The one-year economic impacts of those 40,000 new homes include \$11.5 billion in income for Georgians, \$1.5 billion in taxes and revenue for local governments, and over 160,000 jobs. <sup>(14)</sup>

### Current Status of Georgia's Housing Market

The housing market in Georgia is still recovering from the Great Recession. While any development activity seems like an improvement relative to the Recession doldrums of 2011, the recovery has been slow and the effects have been felt the hardest in the "starter home" market. In today's housing market, the issues are with supply, not demand.

#### Georgia Housing Trends <sup>(21)</sup>

From 1970-1979	275,000 permits
From 1980-1989	436,000 permits
From 1990-1999	518,000 permits
From 2000-2009	654,000 permits
From 2010-2018	285,300 permits

Since 2007, 75% of the building industry has evaporated. Georgia has a shortage of at least 350,000 new housing units. <sup>(21)</sup> People who were building houses at the height of the market left the industry during the Recession and never came back. Meanwhile, Georgia's population never stopped growing. The population of metro Atlanta is projected to grow to 8.3 million people by 2040, increasing the demand for housing. <sup>(16)</sup> The region's population increase between 2010 and 2017 was driven primarily by higher wealth households – adding 202,000 households earning more than \$50,000 and only 21,000 households earning less than \$50,000. This increases the competition for housing in desirable neighborhoods. <sup>(16)</sup> From 2011-2018, the average single-family home sales price in Georgia jumped from \$162,220 to \$301,000, an increase of 85.5%. <sup>(21)</sup>

The hottest new home markets in the country are moderating. Atlanta is the third hottest housing market behind Houston and Dallas/Ft. Worth. <sup>(20)</sup> In the recent past, first time homebuyers made their purchase at age 25 on average. Today, buyers are waiting until age 33 to purchase their first home. <sup>(20)</sup> Different buying trends combined with a lack of attainable product in the market has led to a slowdown in development.

Affordability in metro Atlanta is starting to erode. In 2017, 31 percent of all households were "cost-burdened" or spending more than 30% of their income on housing or more than 50% on housing and transportation. <sup>(2)</sup> At 61%, Georgia has the lowest home ownership rate in the Southeast, and one of the lowest in the United States. <sup>(1)</sup> Between 2011 and 2016 the metro Atlanta region saw a 10% growth in wages and a 48% increase in rents. <sup>(2)</sup> Over the same time period, the number of rental units renting for less than \$800 a month decreased from 27.8 percent to 21.3 percent. <sup>(2)</sup>

With more than 8.1 million extremely low-income American households spending more than half of their income on rent, there is a shortage of approximately 7.4 million homes affordable to households in need.<sup>(10)</sup> In Columbus, for example, the average sales price of a home is \$138,000. Over 55% of the local population cannot afford the median listed home, with area median income at \$47,000.<sup>(12)</sup>

The ability of the average American to qualify for a mortgage is fragile. Nationally, for every \$1,000 increase in the price of a home, about 127,560 American households are priced out and unable to meet the mortgage requirements.<sup>(14)</sup> Based on conventional assumptions and underwriting standards, it takes an income of about \$27,556 to purchase a \$100,000 home.<sup>(14)</sup> The average priced house in Georgia is \$301,000.<sup>(21)</sup>

## PART TWO

### **BARRIERS TO WORKFORCE HOUSING IN GEORGIA**

There are existing barriers to the development of attainable workforce housing in Georgia which can be organized by the “**Four L’s**”: **LABOR, LAND, LUMBER, & LAWS**.

- The construction industry **LABOR** market is tight. The average age of a construction worker in metro Atlanta is 45.<sup>(6)</sup> Labor costs rose 5.5% from Q1 2018 to Q2 2019.<sup>(6)</sup>
- **LAND** costs have skyrocketed in the metro Atlanta area. In Forsyth County, the average finished lots price in 2018 was \$120,000. Between June 2018 and December 2018, the average lot price in Cherokee County increased from \$66,248 to \$95,364, or 44%.<sup>(14)</sup>
- **LUMBER** refers to the cost of all building materials, which continues to rise.
  - Vinyl siding remains the most popular exterior cladding material in the United States and Canada for over 20 years.<sup>(11)</sup>
  - A third of all U.S. lumber is used to build new homes or apartment buildings.<sup>(9)</sup>
- **LAWS**, or land use regulations, account for 24.3% of the final price of a new single-family home. The national average for regulatory costs for an average single-family home went from \$65,224 in 2011 to \$84,671 in 2016 – a 29.8% increase. The national average price of a new home sold went from \$260,800 to \$348,900 over that span. By comparison, disposable income per capita increased by 14.4% from 2011-2016.<sup>(14)</sup>
  - Public policy related to the cost of housing and the incentives to develop, maintain, or improve affordable housing vary widely through the State and are typically affected by

local policies over which the state has little control. Georgia's status as a 'home rule' state means that a patchwork of local laws govern land use. <sup>(19)</sup>

- Lot development costs range from \$25,000 in Columbia, SC to \$60,000 in Atlanta, GA. <sup>(20)</sup>

### **What are Zoning Conditions vs. Building Codes?**

Zoning is the way the local governments control the physical development of land and the kinds of uses to which each individual property may be put. Zoning laws typically specify the areas in which residential, industrial, recreational, or commercial activities may take place. <sup>(11)</sup> Zoning conditions may include restrictions on land use; the height, width, area, and size of buildings and other structures; the percentage of lots that may be occupied; the size of yards, courts, and other open spaces; the density of the population; the location and use of buildings, structures, and land; lot coverage, lot width, lot area, and setbacks; spacing between buildings and structures; buffer zones, parking requirements; landscaping requirements; and aesthetic design requirements. <sup>(14)</sup>

Building Codes are a set of rules that specify the standards for the construction of buildings. The main purpose of building codes is to protect public health, safety, and general welfare related to the construction and occupancy of buildings and structures of all types and uses. <sup>(11)</sup> In 1991, Georgia adopted statewide mandatory minimum standards for construction, replacing the previous system of different construction standards enforced by each local government building department. <sup>(19)</sup> For example, Chapter 14 "Exterior Walls" of the International Code Council's "International Building Code (IBC)", provides the minimum standards for wall coverings, openings, windows, building envelope, and trim, with specifications for moisture, material performance and standards, installations requirements, weather protection (wind and water), fire safety, and provisions for non-combustible and combustible construction. <sup>(11)</sup>

If there are concerns about fire safety and product performance of building materials, zoning codes aren't the appropriate place to regulate that. The statewide mandatory building codes are vetted at international and statewide levels by industry experts. Duplicative regulations between the zoning codes and building codes result in unnecessary construction costs. <sup>(11)</sup>

### **Unnecessary Government Regulations Add Hard Costs to Housing**

Land use regulations are complex and very diverse in form. They can be found in a multitude of locations, including zoning ordinances, development regulations, code of ordinances, or supplemental regulations such as design guidelines. They are prepared by a variety of players and lack any uniformity in administration and fees. <sup>(10)</sup>

### **Multi-family Housing**

Local government policies can significantly impact multi-family rents. Although each local regulation or fee may seem to have a small individual impact, the cumulative impact of all policies can substantially increase rents. A recent study that analyzed hypothetical local policies including a tax increase of 10% annually, a project delay of six months, an impact fee increase, a municipal utility linkage fee, a community exaction, and a 12% density reduction necessitated a 20% increase in rental rates.<sup>(16)</sup> In 2017, the City of Atlanta adopted an ordinance that required every new multi-family development provide electric vehicle charging station equipment for 20% of the parking spaces. Developers claim this requirement will add between \$2,500-\$10,000 per parking space.<sup>(16)</sup> Most neighborhoods in south and west Atlanta cannot support new development due to low market rents. Neighborhoods with supportable rents are overwhelmingly zoned for single-family residential development. Multi-family development can only occur where zoning and market feasibility align, constricting supply and raising rents.<sup>(16)</sup>

“Inclusionary zoning” policies stipulate that on any new zoning approved, a certain percent of the new units created must be offered at “affordable” below market rates. Some IZ policies provide incentives to developers to offset this cost such as tax abatements or density bonuses. Some allow developers to buy their way out of compliance with fees ranging from \$130,000 to \$187,000 per unit.<sup>(16)</sup> Inclusionary zoning around the Atlanta Beltline requiring affordable units in market rate developments has not proven hugely successful – the investment threshold was too high for developers, and they simply moved outside the geographic zone where it was required.<sup>(6)</sup>

### **Manufactured Housing**

A Georgia town recently banned manufactured homes as a “permitted use” in several residential zones, segregating them into one special overlay zone in one area of the city. Another Georgia county recently requires a minimum of five acres for the placement of manufactured home on private property.<sup>(19)</sup>

### **Single-Family Housing**

Locally enforced residential design standard ordinances place requirements on single-family homes for exterior color, exterior cladding materials, style of roof structures or porches, architectural ornamentation, the location and styling of windows and doors, including garage doors, and can prohibit certain building techniques, like using a poured slab foundation vs. a crawlspace or basement.<sup>(14)</sup> Home builders report compliance with these onerous zoning conditions can add \$10,000, \$20,000, even \$30,000 to the price of a new home.<sup>(14)</sup> For an average 2,700 square foot two-story house in Atlanta (30301), requiring a homeowner to build with a brick exterior (\$18,738.50) rather than a vinyl exterior (\$6,436.89) costs that homeowner an



extra \$12,301.61. <sup>(14)</sup> For those building in the affordable market, driveway requirements, permit fees and minimum lot size are big issues. <sup>(1)</sup> Oconee County placed a restriction on the use of monolithic concrete slab foundations in “major subdivisions” jurisdiction-wide, with some exceptions for the stated purpose of protecting homeowners from septic tank failures and from developers not following the state building code requirements for dirt fill. <sup>(7)</sup> Edward Andrews Homes, Inc. builds homes in the metro Atlanta area and saw their price per home increase \$7,000-9,000 over the last 12 months. <sup>(6)</sup>

A “Defense of Residential Design Standards” – city officials say residential design standards:

- Protect the investments of owners and residents
- Can be a marketing tool to sell properties
- Offer workers a higher quality of life, which is considered by relocating businesses
- Result in a positive economic impact from investments, residency and tourism <sup>(8)</sup>

Design guidelines are typically enacted to highlight and enhance unique local characteristics and to support economic development efforts and preserve housing values – addressing NIMBY concerns. <sup>(10)</sup> It's a home rule issue, Georgia is a home rule state. Local governments have the right to decide what kind of local growth initiative to pursue – it might increase the cost of housing but if it's what they want, it's what they want. <sup>(10)</sup> In home sales since 2009 in Bryan County, the average annual appreciation of a home with vinyl predominant exterior cladding has been 3.31%, while a home with a brick exterior has appreciated at a rate of 2.37% over that same time period. <sup>(20)</sup>

### **Time Delays in Permit Processing**

NeighborWorks Columbus is a local non-profit organization working to provide access to homeownership to people with low or moderate income. Since 1999, they have had an impact on 2,125 new homeowners and built or rehabilitated 229 homes. In a recent project rehabilitating mill housing into modern senior housing units, staff waited for over a year for a “Notice to Proceed” from the State Historic Preservation office. Final construction costs after the delay totaled over \$100,000 for the 750 square foot 2 bed 1 bath units. <sup>(12)</sup>

There is no uniformity for permitting among jurisdictions. It is very difficult to compare application fees, zoning fees, or timelines between jurisdictions. There is no single database of land use regulations in the state. <sup>(10)</sup>

### **Flexibility for Mortgage Applications**

The Consumer Financial Protection Bureau (CFPB) is the federal agency regulating the mortgage lending industry. One of the main regulations facing mortgage brokers and their

customers is “Qualified Mortgage and Ability to Repay” which places a limit on the customer’s debt-to-income ratio at 43%. Many people who are credit-worthy but have a higher debt-to-income ratio have qualified for a mortgage because of certain work-arounds in the regulation, which are set to expire January, 2021. In 2018 nationwide there were approximately one million loans for \$260 billion that exceeded the debt-to-income ratio.

Allowing this “patch” to expire would have a disproportionately negative impact on low- and moderate-income Georgians. Allowing mortgage brokers to have responsible flexibility regarding the debt-to-income ratio allows more qualified customers to purchase homes. <sup>(17)</sup>

### PART THREE

## PROGRAMS FOR WORKFORCE HOUSING IN GEORGIA

There are several state and local government programs focused on improving the availability of attainable workforce housing in Georgia. While these programs are helpful to Georgia’s citizens, they are not enough to adequately meeting Georgia’s workforce housing needs. They are summarized below.

### State Programs Affecting Workforce Housing

**Low Income Housing Tax Credit (LIHTC)** – This federal program provides developers of multi-family properties with a tax credit of either 4 percent or 9 percent and requires the property to have rents affordable to those people earning 50-60 percent of Area Median Income. The program incentivizes projects that provide housing for seniors seeking independent living, working families, and individuals with disabilities. There is no low-income housing tax credit available for single-family housing at the federal level, but legislation is currently pending in Congress. <sup>(5)</sup>

**Community Home Investment Program (CHIP)** – This program awards federal HUD HOME funds to local governments in Georgia for the rehabilitation and new construction of single-family homes. The program allocates \$3-6 million to 10-15 grantees annually. Over the past 20 years CHIP has provided \$34 million in assistance to over 4,000 households. <sup>(5)</sup>

**Georgia Dream Homeownership Program** – This program provides affordable mortgages and down payment assistance for first-time homebuyers. Home buyer counseling is required for applicants. All eligible homebuyers may qualify for \$5,000 in down payment assistance. Public protectors, educators, healthcare providers, and active military are eligible for up to \$7,500 in

down payment assistance. The program is limited to housing priced at \$250,000 in metro Atlanta or \$200,000 outside metro Atlanta to families with household incomes under \$87,500. <sup>(5)</sup>

**HomeSafe Georgia** – This Great Recession-recovery program uses federal dollars to support homeowners who are underwater or behind on mortgage payments. Eligible homeowners can receive up to \$50,000 in “principal reduction” assistance. Eligible homeowners have a household income of less than 140 percent of the county’s Area Median Income, the property must have been purchased prior to 2015 and be the applicant’s primary place of residence and have a loan to value ratio greater than 110 percent. Since 2011, the program has helped nearly 15,000 Georgians stay in their homes. <sup>(5)</sup>

**Georgia Initiative for Community Housing (GICH)** – This program is a partnership between the Georgia Department of Community Affairs, Georgia Power, University of Georgia – College of Family and Consumer Sciences, and the Georgia Municipal Association which was created to provide technical assistance and capacity building program for communities engaging in local housing planning efforts. A GICH community makes a 3-year commitment to develop and implement a “Housing Work Plan” through collaborative retreats which focus on facilitated work sessions, expert presentations, hosted city tours, and networking and sharing ideas. Local government participants learn how to leverage housing resources from DCA and USDA to address local needs. Since 2004, the state has invested more than \$361 million across 71 GICH communities. <sup>(5)</sup>

**Georgia’s State Codes Advisory Committee (SCAC)** – This program at the Department of Community Affairs is comprised of 21 industry stakeholders including local building officials, builders, suppliers, specialty trades, fire officials, architects & engineers, and more. This committee reviews new editions of International Code Council publications and amends them to be Georgia-specific. These industry experts conduct a cost-benefit analysis of the proposed new building codes to balance the intended improvement in material or technique with the cost to the consumer. New code editions are adopted every 6 years but are amended through the SCAC annually. <sup>(15)</sup>

**Post-disaster Grants for Property Owners** – This program is administered by the Georgia Emergency Management Agency to assist homeowners who have been affected by natural disasters. These grants may be used by local governments to buy disaster prone property from homeowners or for homeowners to bring their disaster-affected homes up to current building standards. <sup>(13)</sup> The negative effects of natural disasters are felt disproportionately for low- and moderate-income people in workforce housing.

**Residential Safe Room Grants** – This GEMA administered program provides grants for the construction of safe rooms, which are structures specifically designed to protect the occupants inside during a tornado. In Georgia the structure must be designed to withstand winds of up to 250 miles per hour and comply with certain impact standards.

#### **Local Programs Addressing the Issue**

Local comprehensive plans are required by the Georgia Planning Act and are implemented through local policies, ordinances, and capital investment. The state should bring more resources to the table in the form of coordinated state investment, compatible design and service delivery standards and incentives to jurisdictions that implement their planning objectives. <sup>(7)</sup>

The Disaster Resilient Building Codes are optional state building codes that local governments can adopt in order to enforce a higher standard of natural disaster protections for buildings. The codes provide specifications for building elevation requirements, wind load requirements, and allowable building materials. <sup>(13)</sup>

Local governments should enforce the codes they have and utilize the tools at their disposal first before writing new ordinances banning certain materials, construction techniques, or styles of homes. Those tools include blights taxes, code enforcement, property seizure and auctions, and the Abandoned Mobile Home Act. <sup>(19)</sup>

### **PART FOUR**

## **RECOMMENDATIONS FOR WORKFORCE HOUSING IN GEORGIA**

#### **RECOMMENDATION 1: Removing Unnecessary Aesthetic Restrictions**

*The House Study Committee on Workforce Housing recommends ending the practice of government-mandated residential design standards in Georgia. When government regulations add cost to the construction of a home but do not provide any increase in safety or building integrity, those regulations have a negative impact on the marketplace's ability to provide workforce housing. Government regulations must protect the private property rights of Georgians, not take them away.*

Local residential aesthetic ordinances place requirements on exterior color, exterior cladding materials, style of roof structures or porches, architectural ornamentation, the location and styling of windows and doors, including garage doors, and can prohibit certain building techniques, like using a poured slab foundation vs. a crawlspace or basement. <sup>(14)</sup> Local governments claim aesthetic restrictions on new residential development protect the values of

existing properties. <sup>(9)</sup> Home builders report compliance with these onerous zoning conditions can add \$10,000, \$20,000, even \$30,000 to the price of a new home. <sup>(14)</sup>

Other states have passed laws pre-empting a local government's ability to enact unnecessary aesthetic restrictions: North Carolina, Texas, and Arkansas. <sup>(11)</sup> In 2017, Georgia passed HB 876 to pre-empt local governments from banning wood as a building material through local zoning conditions. <sup>(19)</sup> Local government planners should promote a diversity of housing needs and products. Consider lifecycle housing – in each stage of our lives our housing needs change. <sup>(10)</sup>

## **RECOMMENDATION 2: Encourage Local Governments to Loosen Zoning Restrictions**

*The House Study Committee on Workforce Housing recommends* that state planning policies, planning officials, and local governments work together to loosen zoning restrictions that have the effect of excluding workforce housing from Georgia's communities. Out-dated zoning policies may stifle the types of development desired by the workforce. Local codes are requiring what empty nesters (one of our largest population subsets) wanted 15 years ago, mandating what today's market doesn't want.

Density Overlays provide opportunities to increase density in appropriate locations, which will be necessary for keeping prices affordable and mortgage payments comparable to rents in high growth areas. <sup>(6)</sup> Good design facilitates higher density through lower land, infrastructure and operating costs. <sup>(7)</sup>

89% of all residential land in North Metro Atlanta is zoned exclusively for single-family residential. <sup>(16)</sup> A monoculture of a single housing type limits growth. Domination of a single demographic strains the tax base, stunts employment, and puts pressure on public service delivery. <sup>(7)</sup> The "missing middle" of the housing market have been zoned out of existence – but it's not too late to bring them back. Small scale multi-family developments within a single-family neighborhood can add density without affecting aesthetics. <sup>(20)</sup> Manufactured housing should be seen as a viable option in communities where traditional home builders are scarce.

Innovative design cuts costs and builds value – low-cost, high-design affordable housing can be attractive within communities and give people of limited means the ability to own and to build equity within their houses. Design strategies can improve affordability – smaller footprints, good layout, integrated indoor/outdoor spaces can make a difference in the lives of the people who can live in them. <sup>(7)</sup>

Create affordable housing zones that provide allowances and exchanges exclusively for affordable housing. Strip out impact fees and permit fees in those zones. <sup>(21)</sup>

**RECOMMENDATION 3: Allow for Innovations in Building Material Technology**

*The House Study Committee on Workforce Housing recommends that state and local governments in Georgia allow for innovations in building material technology which could have a positive impact on the development of workforce housing. If a building material has been tested and approved by the governing international codes body and adopted by DCA's State Codes Advisory Committee, then the citizens of Georgia should have access to that building material.*

"Mass timber" is an emerging building material technology which fuses wood panels together to create a stronger engineered product. The material has recently been approved by the International Codes Council for use in structural components for buildings up to 18 stories. Using mass timber materials provides a significant cost savings versus traditional materials. <sup>(9)</sup>

**RECOMMENDATION 4: Expand the Low Income Housing Tax Credit to Include Single-family Homes**

*The House Study Committee on Workforce Housing recommends that the state LIHTC be expanded to include single-family housing projects developments. The state currently provides a dollar for dollar match of the federal LIHTC, unless changes are made to the federal program, this expansion would be applicable only to the state portion of the credit.*

Respectfully Submitted,



Vance Smith  
Chairman