



CITY OF CARROLLTON, GA MULTI-FAMILY HOUSING NEEDS ASSESSMENT



BleaklyAdvisoryGroup

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CITY OF CARROLLTON, GA MULTI-FAMILY HOUSING NEEDS ASSESSMENT

INTRODUCTION AND EXECUTIVE SUMMARY



OVERVIEW

CITY OF CARROLLTON, GA MULTI-FAMILY HOUSING NEEDS ASSESSMENT

- The City of Carrollton recently adopted a six-month moratorium of multi-family housing permit approvals, stemming from concerns that the City’s multi-family housing inventory was out of balance with peer communities.
- In response, this study was commissioned “to study the current mix of housing stock within the City of Carrollton, projections as to the future mix of housing stock within the City, and the impacts of the same, and to make recommendations as to the zoning and regulation of multi-family housing within the City.”
- This document presents the findings of the study, and is organized as follows:
 - **Executive Summary**
 - **Introduction**
 - **Task 1:** Multi-Family Supply Analysis,
 - **Task 2:** Multi-Family Characteristics
 - **Task 3:** Multi-Family Housing Needs Assessment 2016-2026
 - **Task 4:** Fiscal Impact Analysis of Multi-Family Housing
 - **Task 5:** Key findings and Policy Recommendations

(City of Carrollton Resolution 05-2016)

EXECUTIVE SUMMARY

THIS RESEARCH ADDRESSES SEVERAL KEY QUESTIONS REGARDING MULTI-FAMILY HOUSING NEEDS IN CARROLLTON:

1. How does Carrollton's multi-family housing inventory compare with its peers?

- In Carrollton, 48% of housing units are multi-family (2 or more units), compared to 16% of all housing units in Carroll County and 24% statewide.
- Among five regional peer cities in Georgia (Cartersville, Douglasville, LaGrange, Newnan, and Rome) multi-family housing accounts for 29% of their housing stock.
- Among five peer Georgia college towns (Athens, Dahlonega, Milledgeville, Statesboro and Valdosta) multi-family housing accounts for an average of 40% of the housing inventory.
- **Thus, Carrollton (at 48%) has a significantly higher percentage of multifamily housing than is found among the peer communities.**

2. How does Carrollton's housing tenure compare to its peers?

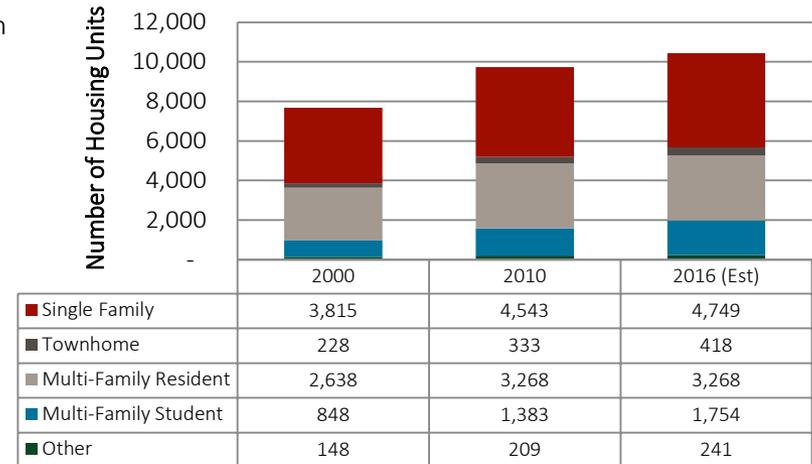
- In Carrollton 64% of all households are renters, verses 33% in Carroll County and 34% statewide.
- Among the five regional Georgia peer cities renters account for an average of 48% of households.
- Among the five Georgia college town peers, renters account for an average of 60% of households.
- **Thus, Carrollton has a significantly higher percentage of rental households than in Carroll County, the State and among its regional peer cities. However, its proportion of renters is roughly consistent with other Georgia college towns.**

EXECUTIVE SUMMARY

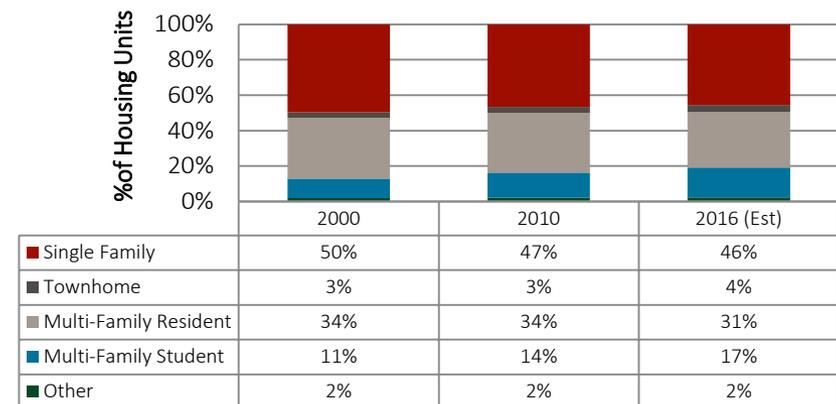
3. How has Carrollton’s multi-family housing supply changed over time?

- Carrollton had 7,677 housing units in 2000, and has an estimated 10,430 housing units as of 2016. Between 2000 and 2016, Carrollton added an estimated 2,753 housing units, an increase of 36%.
- 56% of the housing units added from 2000 to 2016 were multi-family units- 23% were standard rental apartments and 33% were student rental apartments.
- Townhomes accounted for 7% of new units.
- From 2000 to 2016, the proportion of multi-family housing units in Carrollton’s total housing stock increased from 45% to 48%.
- Student apartments have become a larger share of the City’s housing mix- increasing from 11% of all units in 2000 to 17% of all units in 2016.
- **Carrollton has seen its housing inventory shift from 45% multi-family in 2000 to 48% multi-family in 2016. The most rapid expansion of its multi-family inventory has been in the student housing sector which now accounts for 17% of Carrollton’s housing stock.**

Housing Mix by Number of Units
City of Carrollton, 2000, 2010, & 2016



Housing Mix by Percentage of Units
City of Carrollton, 2000, 2010, & 2016



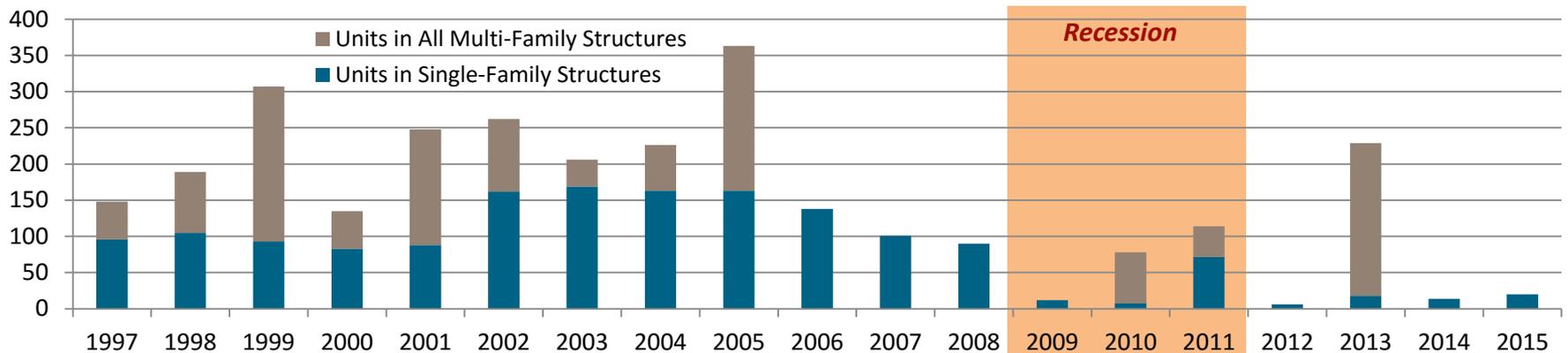
Source: Nielsen Inc., US Census ACS 2014, Bleakly

EXECUTIVE SUMMARY

4. What have been the trends in Carrollton's multi-family housing building permits?

- From 2000-2015 Carrollton issued an average of 140 building permits annually, 58% of which were for multi-family housing.
- The Great Recession had a major impact on the type of housing being permitted in Carrollton.
- Prior to the recession, from 2000 to 2008, Carrollton averaged 197 permits per year, of which 35% were for multi-family housing
- From 2009 to 2015 the volume of total permits dropped to an average of 68 units per year—a 65% decline, and multi-family units are now 68% of the total units permitted.
- **Thus, over the past fifteen years Carrollton has seen a shift in new construction, with a dramatic drop in the amount of annual permits issued, a relative absence of single-family permits since the beginning of the Great Recession and an increasing percentage of multi-family permits being issued, significantly above its proportion in the existing housing stock.**

City of Carrollton Housing Permits, 1997 -2015



Source: U.S. Census, SOCDs Building Permit Database

EXECUTIVE SUMMARY

5. What are the characteristics of multi-family households in Carrollton?

- **Multi-family households are primarily renters:** 97% of Carrollton's multi-family inventory is renter occupied.
- **Renters also occupy other housing:** 33% of Carrollton's renter households live in single-family homes and townhomes in the City.
- **Younger** households tend to be renters: 75% of households headed by individuals under 35 years old are renters.
- **Lower-income householders tend to be renters:** 82% of households earning less than \$25,000 per year rent their homes, although many of these households may be students whose income is understated.
- **Non-family households** (singles or un-related people living together) **tend to be renters:** they are twice as likely to be renters.

EXECUTIVE SUMMARY

6. What is the future demand for housing in Carrollton?

- Since 2000, Carrollton’s population has been growing at a compound average annual growth rate (CAGR) of 1.2% and its households have been growing at a rate of 1.0%.
- If the City continues the 1.0% household growth rate over the next decade it will add 914 new households, for an average of 91 new households per year.
- The University of West Georgia is projecting full-time enrollment to grow at 1.7% annually over the coming decade. We estimate this will generate demand for 589 off-campus housing units (assuming an average 3.1 beds per unit) or an average of 59 units per year.
- Carrollton will experience demand of 150 new households annually over the next ten years, consisting of 91 resident households and 59 student households.
- Of those 150 new households, 102 (68%) will be renter households and 48 (32%) will be owner households.

Housing Demand in Carrollton 2016-2026

Housing Demand in Carrollton 2016-2026				
	2016	2026	Total New 2016-2026	Annual Average
Total Housing Demand				
Resident Households	8,963	9,877	914	91
Off-Campus Student Households	2,983	3,572	589	59
Total	11,946	13,449	1,503	150
Demand by Tenure				
Resident (non-student) Demand				
Renter Demand 50.5%			462	46
Owner Demand 49.5%			452	45
Off-Campus Student Demand				
Renter Demand 95%			560	56
Owner Demand 5%			29	3
Total Rental Demand			1,021	102
Total Owner Demand			482	48
Total Demand			1,503	150

Source: Bleakly

EXECUTIVE SUMMARY

7. What are the local revenue impact and service costs of Carrollton’s multi-family housing inventory?

- Carrollton has average annual service costs from local sources of \$322 per resident and a \$296 per local employee.
- Based on the Carrollton City Schools’ enrollment of 4,935 students, the average cost of education per pupil is \$9,209 per year and \$2,778 per pupil is raised through local taxes.
- We analyzed the public revenues and service costs of four sample multi-family housing complexes.
 - The cost of providing municipal services and educating the student-aged population of the four complexes annually is estimated to be \$964,000.
 - These four complexes generate \$351,000 in local revenue to the City of Carrollton and Carrollton City Schools annually.
- Providing services to the residents of the four multi-family complexes costs the City and Schools \$613,000 more than the tax revenue that is generated by those complexes.
- All four multi-family complexes sampled are generating a significant annually revenue deficit to the City.
- The level of crime at multi-family housing has risen dramatically over the past six years from 245 incidents in 2010 to 619 incidents in 2015—an 18% annual increase.
 - Crime incidents are roughly three times more likely in multi-family housing than single family housing.

SUMMARY OF NET FISCAL IMPACT OF SAMPLE MULTI-FAMILY COMPLEXES

Complex	Units/Beds*	Residents	Students	Revenues	Service Cost	Net Revenue	Net Rev./Unit
SOMA	208	436	57	\$44,662	\$299,634	-\$254,972	-\$1,226
Magnolia Lake	216	482	31	\$58,187	\$348,976	-\$251,154	-\$1,163
Mayfair	120	239	72	\$97,823	\$150,853	-\$92,666	-\$772
Haven West*	568	511	-	\$150,736	\$164,606	-\$13,871	-\$24
Totals	1,112	1,668	160	\$351,407	\$964,069	-\$612,662	-\$551

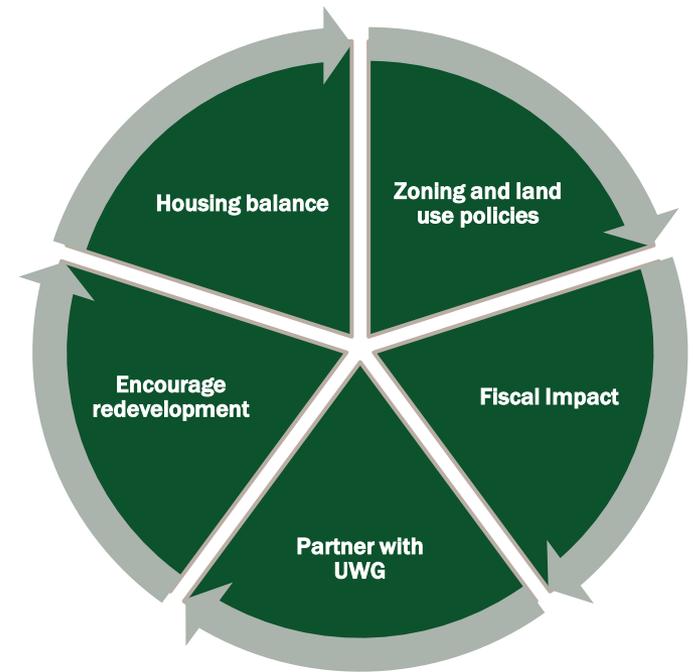
Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

EXECUTIVE SUMMARY

POLICY RECOMMENDATIONS

We would recommend the City consider policy changes in five areas:

1. **Promote greater single-family: multi-family housing balance** by establishing a desired ratio between the two housing types and working over time to achieve that balance.
2. **Reform zoning and land use policies which govern future multi-family development** to achieve the desired outcome of a healthier housing sector.
3. **Improve the fiscal impact of multi-family housing on the city** to cover the additional service costs associated with multifamily housing complex. Consider implementing reforms to current regulatory policies including higher tap fees, higher plan review fees, impact fee for public safety.
4. **Partner with UWG** to improve the quality of student life in existing off campus housing while lessening negative resident impacts.
5. **Encourage the gradual redevelopment of existing multi-family inventory** — The city should adopt a number of strategies to encourage the redevelopment and improvement of existing, older multifamily inventory over time.



CITY OF CARROLLTON, GA

MULTI-FAMILY HOUSING NEEDS

ASSESSMENT

INTRODUCTION:
MULTI-FAMILY HOUSING
TERMINOLOGY AND TRENDS



INTRODUCTION

CARROLLTON'S HOUSING POLICY

- The City of Carrollton's *Comprehensive Plan Update (2008-2028) Community Agenda* contains several policy statements pertaining to multi-family housing.
 - *"Preserve stable residential neighborhoods."*
 - *"Monitor trends in owner/renter percentages of housing units and assess whether or not the City should take actions to counterbalance housing needs."*
 - *"Consider housing opportunities for a diverse population at all stages of life and health."*
 - *"Development should provide for a variety of residential types and densities."*
- This study will assess current trends and dynamics of Carrollton's multi-family housing market through the lens of these policies.



Housing

The Community Assessment indicates a moderate growth in housing within the present town limits and considerably more with annexation, particularly for new single-family developments. As such, a means in which to further evaluate annexation requests may be needed.

Furthermore, a recurring issue witnessed during the update was consideration for a growing rental population. The presence of the University of West Georgia provides an additional rental market that other city of comparable size lack. As college enrolment increases, along with the city as a whole, a trend may develop leading to the erosion in the stability provided to Carrollton by the single-family, owner occupied housing stock. By using the policies listed below as guidelines, decision-makers will help ensure that housing in Carrollton continues to be well-suited and balanced for its residents.

- Preserve stable residential neighborhoods throughout the City with an active program of codes enforcement and zoning.
- Monitor trends in owner/renter percentages of housing units and assess whether or not the City should take actions to counterbalance housing needs.
- Improve the overall quality of housing within Carrollton and ensure that new development meets high quality standards and provides diversity in housing.
- Develop an objective Annexation Policy.
- Consider housing opportunities for a diverse population at all stages of life and health.
- Ensure that all new development conforms to specific architectural, building and development standards for new infill development and future annexation area development.
- Development should provide for a variety of residential types and densities.
- Take special consideration for infill housing development in existing neighborhoods.

Source: City of Carrollton Comprehensive Plan Update: Community Agenda, 2008-2028

INTRODUCTION

PEOPLE, BUILDINGS AND TENURE CHOICES

- This study looks at three inter-related aspects of the balance between single-family and multi-family housing in Carrollton:

- **People & Households:**

- Who are the people, families, and households living in Carrollton?

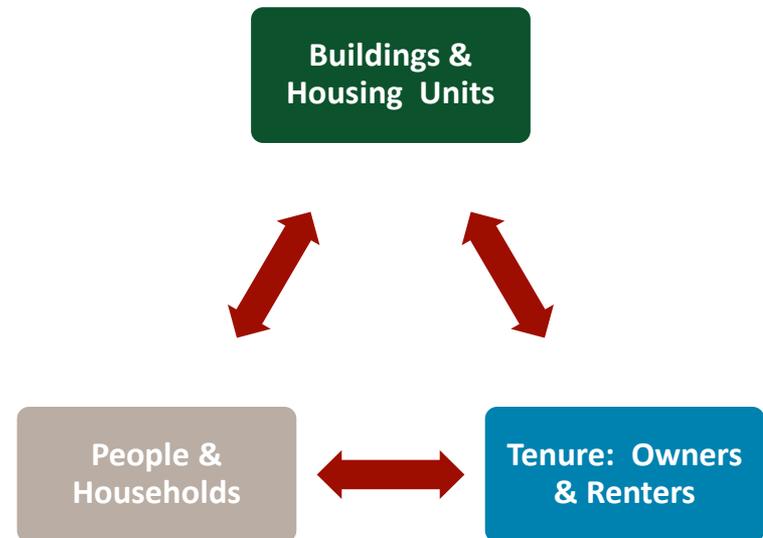
- **Buildings & Housing Units**

- What is the inventory of housing units in Carrollton
- What types of housing exist today?
- How are housing and construction trends changing the housing inventory?

- **Tenure Choices:**

- What is the relationship between buildings, people and housing tenure?

- All of these aspects are tightly interwoven.



INTRODUCTION

DEFINITIONS: MULTI-FAMILY HOUSING

What do we mean when we talk about housing, housing units, and households?

- Multi-family housing contains a wide range of housing types which appeal to a wide range of households.
- Student apartments, which are prevalent in Carrollton, can be classified as either multi-family units or group quarters, based on location and occupancy.

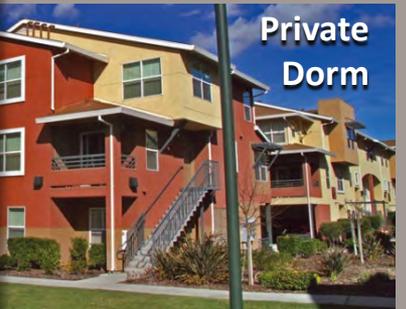
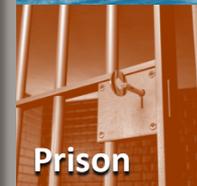
Single-Family Housing



Multi-Family Housing



Group Quarters



INTRODUCTION

HOW THE U.S. CENSUS DEFINES HOUSING AND HOUSEHOLDS

- **Housing Unit:** A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.
 - An Occupied Housing Unit is either:
 - Owner-Occupied, or
 - Renter-Occupied.
 - Vacant Housing Unit: A housing unit is vacant if no one is living in it at the time of enumeration, unless its occupants are only temporarily absent.
- **Group Quarters:** All people who do not live in housing units live in group quarters. There are two types of group quarters:
 - Institutional Group Quarters (for example, correctional facilities for adults, nursing homes, and hospice facilities).
 - Non-Institutional Group Quarters (for example, college/university student housing, military quarters, and group homes).
 - In most cities and towns, group quarters represents less than 1% of inventory. In Carrollton it is 14%.
- Housing Units and Group Quarters encompass the full range of residential options.
- **Household:** A household includes all the people who occupy an occupied housing unit as their usual place of residence.
- **How are college students counted by the U.S. Census?** College students are a significant proportion of Carrollton's population. The U.S. Census Bureau uses the following rules when counting students:
 1. **College students living at their parental home** while attending college: Counted at their parental home.
 2. **College students living away from their parental home while attending college** (living either on-campus or off-campus): Counted at the on-campus or off-campus residence where they live and sleep most of the time.
 3. **College students living away from their parental home** while attending college in the U.S. (living either on-campus or off-campus) **but staying at their parental home while on break or vacation:** Counted at the on-campus or off-campus residence where they live and sleep most of the time.
 4. **People in college/university student housing:** Counted at the college/university student housing.

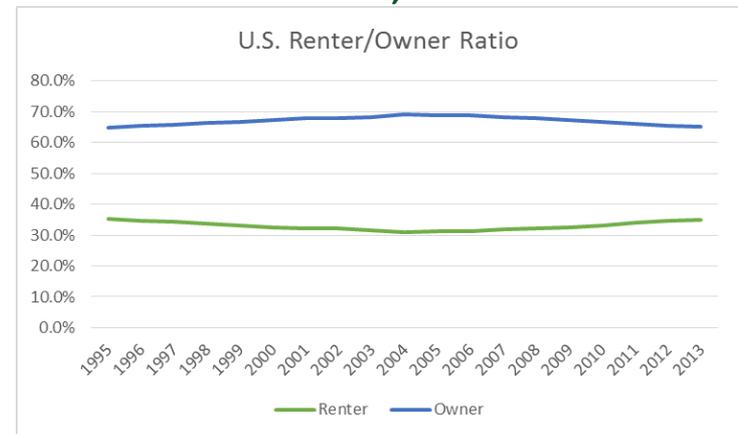
Source: US Census 2010 Glossary

INTRODUCTION

NATIONAL TENURE TRENDS

- The balance between renter and owner housing in a community is an outcome of a complex interaction of a number of factors including:
 - Land values in an area,
 - Local land use policies,
 - The historical pattern of development in an area in terms of the relative presence of both residential and non-residential land uses,
 - The level of suburbanization or urbanization that has occurred over time, and
 - Special uses with a residential component that are large enough (relative to the local economy) to have a significant impact.
- Another key variable is the characteristics and preferences of households in the area. National economic trends also play a role in the relationship between rental and owner housing.
 - National data on renter/owner ratios from U.S. Census data, reported by the Harvard Center for Housing, shows there have been fluctuations over the past 20 years in the renter/owner ratio partly due to the Great Recession and its aftermath.
 - The ratio between renter and owner housing has generally ranged within a fairly constrained band, with rental housing accounting for between mid-to-low 30% of the housing stock. The Great Recession clearly had an impact on the renter to owner ratio, with renter housing increasing from 32% to just short of 35% over the period, while ownership rates dropped from a high of 69% in 2007 to 65% by 2013.

National Tenure Trends, 1995-2013



Source: Harvard Center for Housing

CITY OF CARROLLTON, GA

MULTI-FAMILY HOUSING NEEDS

ASSESSMENT

TASK 1: MULTI-FAMILY

SUPPLY ANALYSIS



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

SUPPLY OVERVIEW

- This section looks at the inventory of housing in Carroll County.
 - How many multi-family housing units are in Carrollton?
 - What are the characteristics those multi-family units?
 - How has the multi-family inventory changed in recent years?
 - What are the characteristics of Carrollton's rental apartments?
 - How are rental apartments distributed geographically?
 - How does the student housing market impact the Carrollton multi-family supply?
 - What is the student housing inventory today, both on- and off-campus?
- We also examine what will be built in the near future.
 - What types of multi-family housing units are in the development pipeline, either in the permitting process or under construction?
 - How does the mix of multi-family housing built now compare to recent history or to the overall housing industry?
 - How will these new housing units change the balance of Carrollton's housing inventory?

Methodology: This analysis is based on a refined demographic and housing model to generate the 2016 housing characteristics and future growth forecasts.

- The refined model incorporates multiple data sources:
 - U.S. Census 2000 and 2010 decennial counts of population and housing.
 - 2016 demographic estimates and growth forecasts from Nielsen, Inc.. and Woods & Poole Economics, Inc..
 - Building permit activity from the U.S. Census Bureau (1997-2015)
 - Permit and housing data compiled by the City of Carrollton
 - The City of Carrollton's 2008 Comprehensive Plan.

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

CARROLLTON'S HOUSING INVENTORY

- The City of Carrollton has an estimated 10,430 housing units in 2016.
- Between 2000 and 2016, Carrollton added an estimated 2,753 housing units, an average of 172 units per year.
 - 34% of the housing units added from 2000 to 2016 were single-family units, while 7% were townhomes, 23% were market apartments, and 33% were student apartments.
 - The proportion of multi-family housing units in Carrollton increased from 45% in 2000 to 48% in 2016.
 - Student apartments became a larger share of Carrollton's housing inventory, increasing from 11% of units in 2000 to 17% of all units in 2016.
 - Townhomes nearly doubled over the period, from 228 to 418 units; however, they represent just 3% of Carrollton's housing stock.
 - Over the same period, the City's population increased by an estimated 4,552 residents while the number of households increased by just 1,189.

Population, Households, Housing Units & Tenure

Population & Households	2000	2010	2016 (Est)	Change 2000-2016
Population	21,602	24,388	26,154	4,552
Households	7,674	8,358	8,963	1,289
Housing Units	7,677	9,736	10,430	2,753
Occupied Housing Units	7,140	8,994	9,700	2,560

Carrollton Housing Types	2000	2010	2016	Change 2000-2016
Single Family	3,815	4,543	4,749	934
Townhome	228	333	418	190
Multi-Family Resident	2,638	3,268	3,268	630
Multi-Family Student	848	1,383	1,754	906
Other	148	209	241	93

Carrollton Housing Type	2000	2010	2016 (Est)	Change 2000-2016
Single Family	50%	47%	46%	-4.2%
Townhome	3%	3%	4%	1.0%
Multi-Family Resident	34%	34%	31%	-3.0%
Multi-Family Student	11%	14%	17%	5.8%
Other	2%	2%	2%	0.4%

Carrollton Housing Tenure	2000	2010	2016 (Est)	Change 2000-2016
Owners	40.2%	38.1%	36.1%	-4.1%
Renters	59.8%	61.9%	63.9%	4.1%

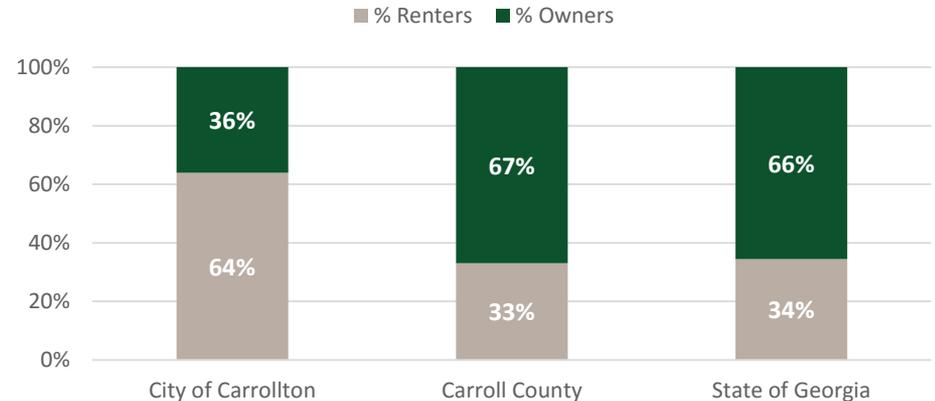
Source: Nielsen Inc., U.S. Census ACS 2014, Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

EXISTING TENURE AND HOUSING TYPE

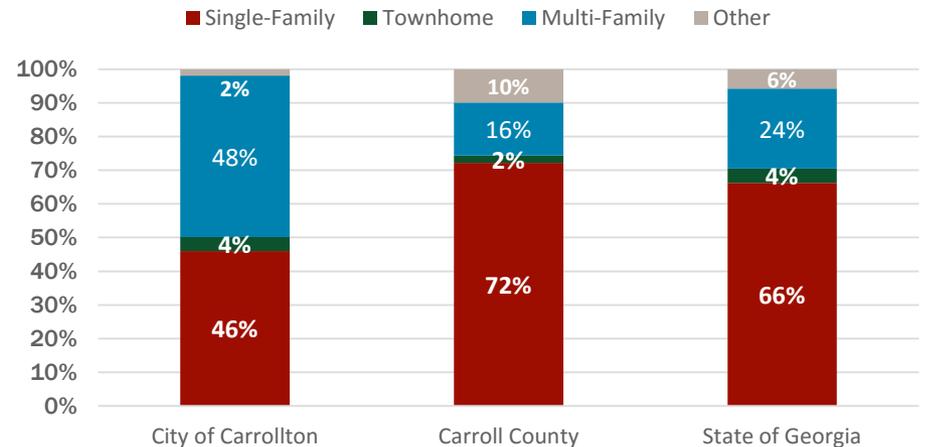
- Renters represent 64% of Carrollton’s households today, compared to 33% for Carroll County and 34% for the State of Georgia.
 - There are roughly double the proportion of renters in Carrollton than in Carroll County.

Housing Tenure, 2016



- Multi-family housing represents 48% of Carrollton’s housing stock today, compared to 16% for Carroll County and 24% for the State of Georgia.

Housing by Building Type, 2016

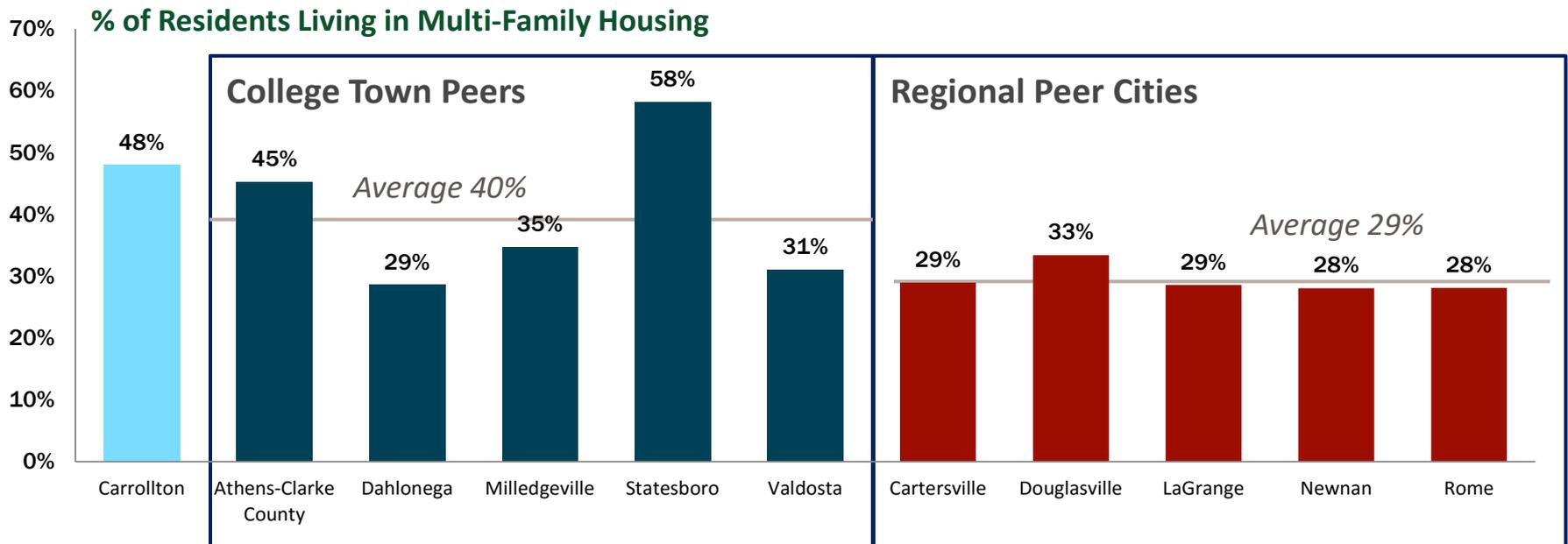


Source: Nielsen Inc., U.S. Census ACS 2014, Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

HOW CARROLLTON COMPARES TO ITS PEERS: MULTI-FAMILY

- In Carrollton, 48% of residents live in multi-family housing units. While this is high relative to other regional peer cities, Carroll County, and the State, it is commensurate with other Georgia cities with a major state university presence.
- For context, Carrollton is compared to five west Georgia cities and five college towns around Georgia that are also home to major state universities.
- Among west Georgia cities, Carrollton has a much higher proportion of multi-family housing, 48% versus a 29% peer average.
- Among other college towns, Carrollton is more comparable to the average multi-family rate of 40%, and well below Statesboro at 58%.
- **Conclusion: Carrollton's proportion of multi-family housing is proportionally higher than its peer cities.**



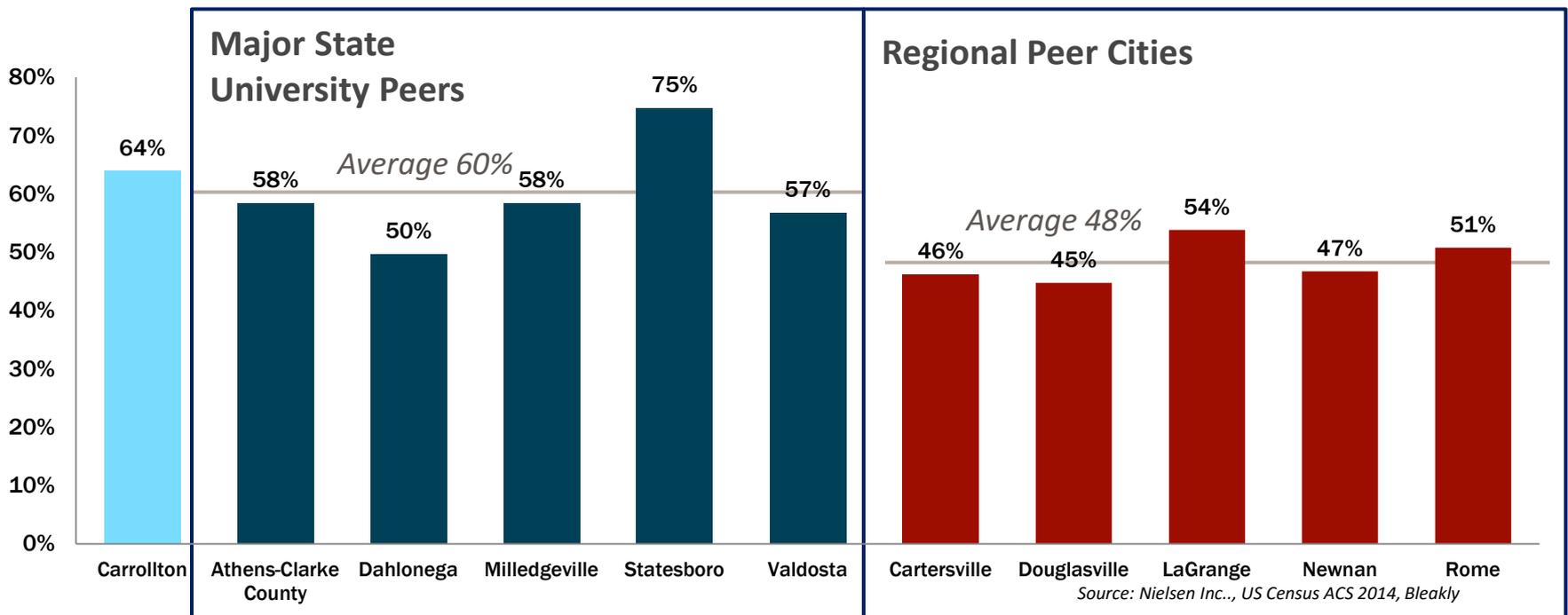
Source: Nielsen Inc., US Census ACS 2014, Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

HOW CARROLLTON COMPARES TO ITS PEERS: TENURE

- In Carrollton 64% of all households are renters.
- Among the five west Georgia peer cities, 48% of households are renters.
- Among the five college towns analyzed, the average percent of rental households was 58%, making Carrollton roughly comparable to these peers, but slightly higher.
- **Conclusion: In terms of the proportion of renter households, Carrollton is comparable to its college town peers but significantly higher than its west Georgia peer cities.**

% of Occupied Households that are Renters



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

HOW CARROLLTON COMPARES TO ITS PEERS: CITY-SCHOOL BALANCE

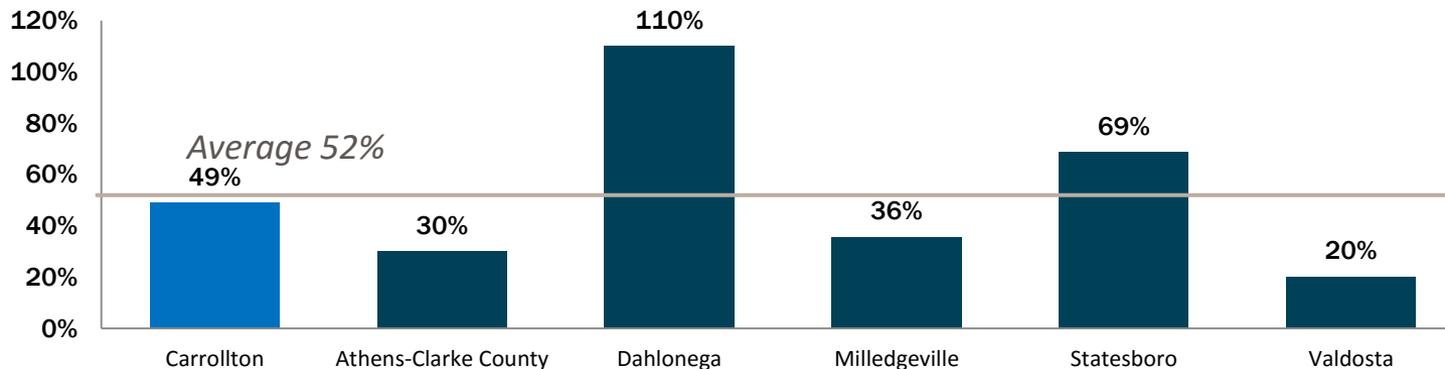
- The University of West Georgia is a major presence in Carrollton. To assess the relative importance of the University to the surrounding City, we looked at the ratio of student enrollment to the population of the City for Carrollton and the peer college towns.
- UWG's total enrollment of 12,834 is equivalent to 49% of the population of Carrollton, placing it roughly in the middle of the pack in terms of Georgia college-town peer cities. All of these cities (with the exception of Athens) are moderately sized cities located a distance from a major metropolitan area, with a major state university.

Population and Enrollment Ratio of Georgia College Towns

City: Major University	City Population	Student Total Enrollment	Proportion of Students to Population
Carrollton: University of West Georgia	26,145	12,834	49%
Athens-Clarke County: UGA	120,250	36,130	30%
Dahlonega: Univ. of North Georgia	6,376	7,000	110%
Milledgeville: Georgia College & State University	19,341	6,889	36%
Statesboro: Georgia Southern	29,793	20,466	69%
Valdosta: Valdosta State	55,754	11,302	20%
Average	42,943	15,770	52%

Source: University System of Georgia, Nielsen, Inc..

Ratio of Total Student Enrollment to Municipal Population for Comparable Georgia College Towns, 2015



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

MULTI-FAMILY RENTAL COMPLEXES IN CARROLLTON

- CoStar, Inc.. tracks real estate statistics for most large multi-family buildings in Carrollton. This data illustrates the characteristics of the regular, student and senior rental apartment market.
- The characteristics of three classes of apartments in Carrollton can be summarized as follows:
 - **Market Apartments:**
 - Sampled 3,121 units in 38 buildings or apartment communities.
 - Average apartment unit is 941 SF, with an average rent of \$670.
 - **Student Apartments:**
 - Sampled 1,117 units in 10 complexes.
 - Sample isolated buildings identified by CoStar as “Student Market” meaning rented by the bedroom rather than by the unit, and marketed to students.
 - Average student apartment unit has 3.1 bedrooms and is 1,211 SF, with an average per-unit rent of \$1,340.
 - **Senior Apartments**
 - Data was available for 2 senior apartment communities with a total of 147 units.
- Student apartments tend to earn significantly higher rents than regular or senior apartments.

Multi-Family Housing In Carrollton, 2016

Regular Apartments		Number	Avg		Avg Unit
Building Name	Year Built	Of Units	Asking/Unit	Vacancy %	SF
Magnolia Lake	2004	216	\$ 758	3%	1,182
South of Maple Apartments	1973	208	\$ 702	7%	985
Woodglen Apartments	1983	188	\$ 750	2%	1,065
English Village Apartments	1981	124	NA	0%	919
Mayfair at Carrollton	2002	120	\$ 799	3%	939
South Park Apartments	1974	110	\$ 565	2%	1,018
Crosscreek Apartments	1988	101	\$ 547	3%	584
Lakeview Apartments	1975	99	\$ 778	2%	723
Carrollwood Apartments	1973	88	\$ 585	6%	1,088
Waverly Apartments	1982	88	\$ 572	3%	932
Ashley Oaks	1981	80	\$ 708	3%	1,209
Harmony Oaks Apartments	1967	80	\$ 424	4%	578
Northridge Apartments	1985	77	\$ 642	5%	604
25 Smaller Apartment Complexes	1981 (Avg.)	1,542	\$ 683	5%	967
Average/Total	1982	3,121	\$ 670	4%	941

Student Apartments		Number	Avg		Avg Unit
Building Name	Year Built	Of Units	Asking/Unit	Vacancy %	SF
Flats at 316	2006	240	\$ 1,311	10%	1,217
The Grove at Carrollton	2006	168	\$ 1,554	1%	1,181
River Point Apartment	2000	132	\$ 1,398	4%	1,400
Campus Walk	1987	121	\$ 1,056	3%	579
Haven West Apartments	2014	120	\$ 1,669	5%	1,188
Mandeville Mill Lofts	2002	94	\$ 1,063	5%	1,109
Carrollton Crossing	1998	84	\$ 1,352	4%	1,152
The Orchard	2008	65	\$ 1,321	0%	1,399
River's Edge Apartments	1984	48	\$ 973	6%	1,284
Student Quarters Carrollton	2006	45	\$ 1,383	11%	1,600
Average/Total	2001	1,117	\$ 1,340	5%	1,211

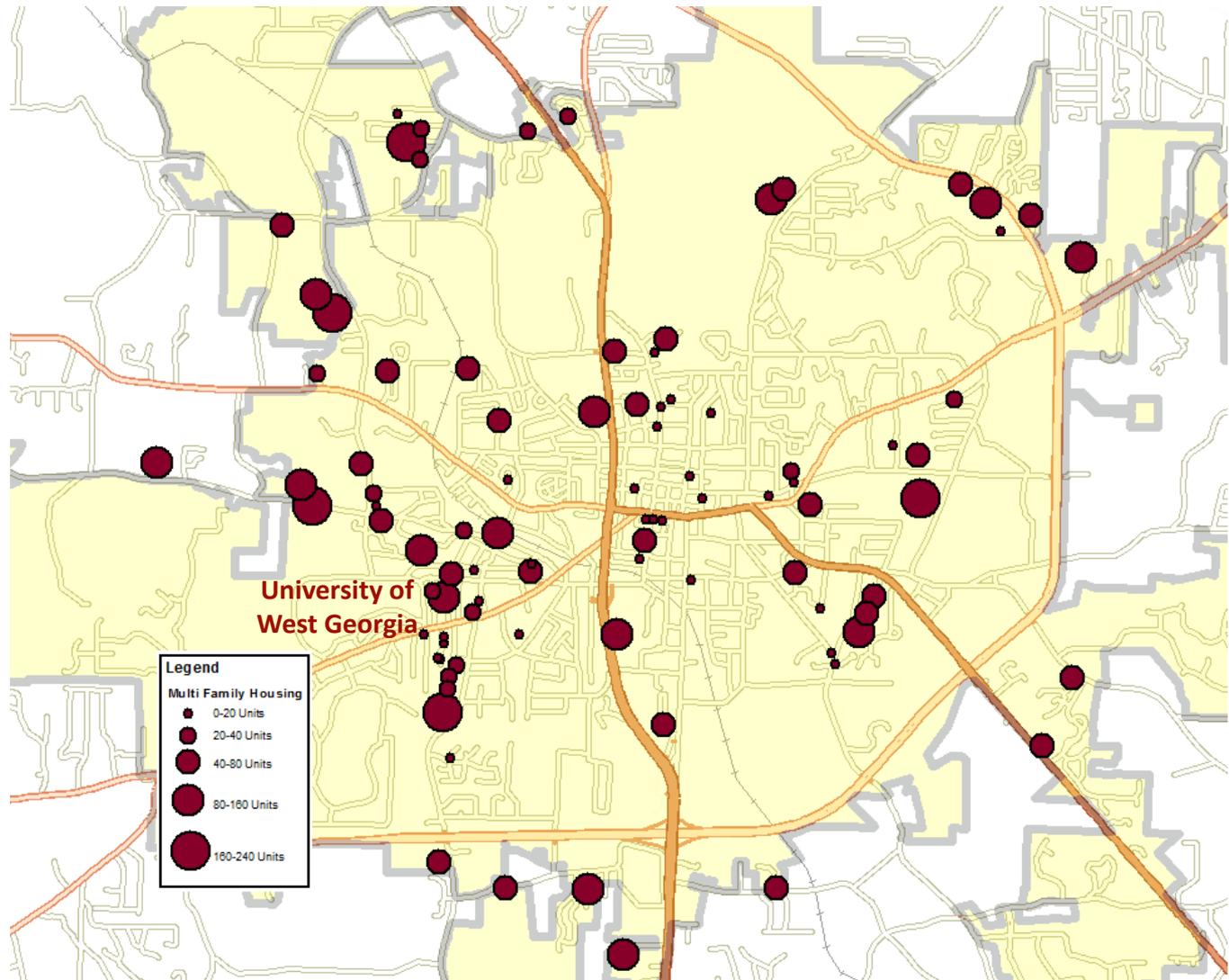
Senior Apartments		Number	Avg		Avg Unit
Building Name	Year Built	Of Units	Asking/Unit	Vacancy %	SF
Eagle's Nest	1996	87	\$ 480	4%	765
Summerhill Apartments	1982	60	\$ 788	5%	800
Average/Total	1989	147	\$ 634	4%	783

Source: CoStar, Inc., Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

LOCATION OF MULTI-FAMILY INVENTORY IN CARROLLTON

- The map shows the distribution of larger (12-units+) apartment complexes in Carrollton, with dot size representing complex size.
- As shown, the larger apartment complexes tend to be distributed around the periphery of the City near the Highway 166 Bypass and adjacent to UWG.

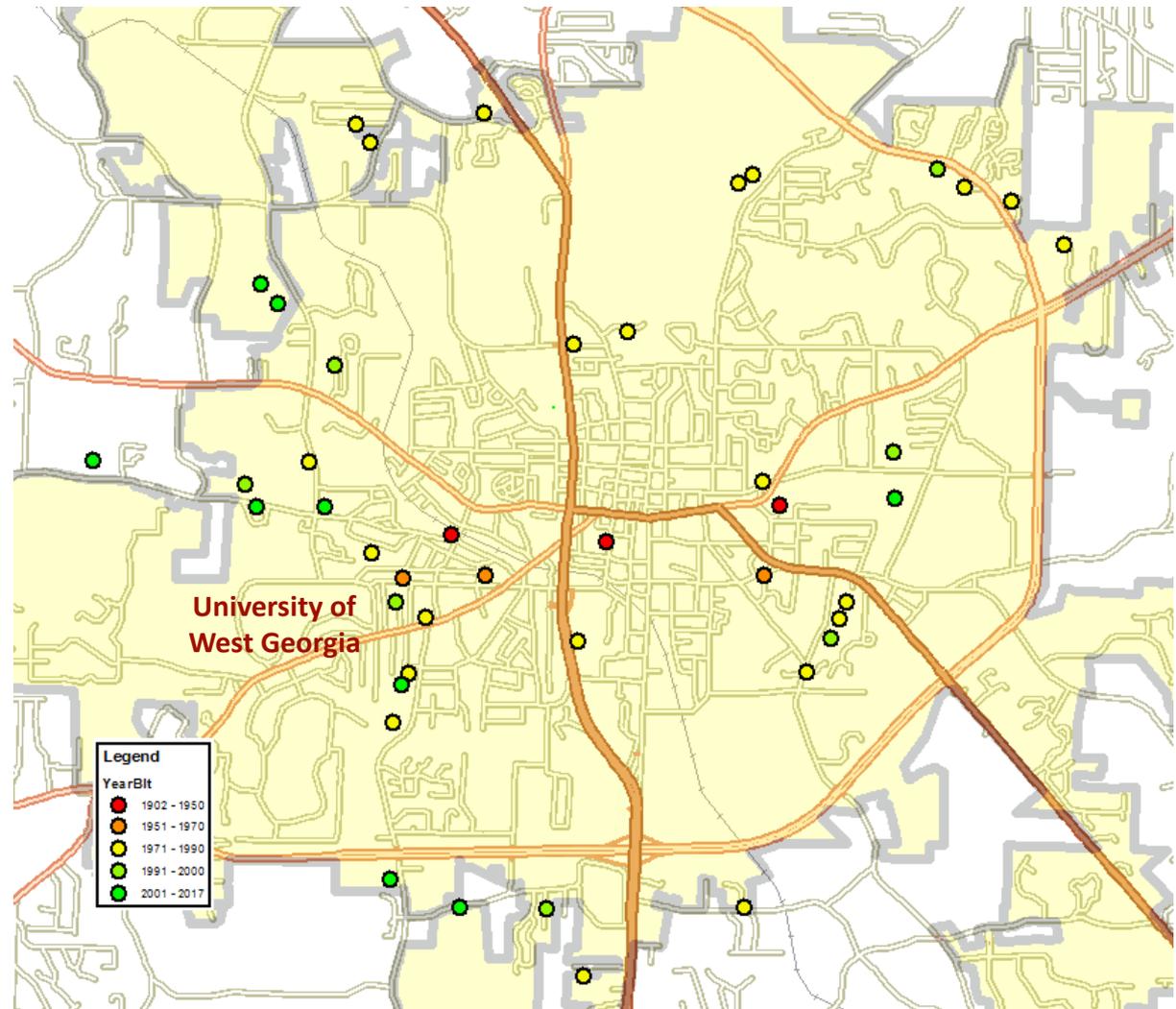


Source: City of Carrollton, CoStar, Inc., Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

MULTI-FAMILY BUILDINGS IN CARROLLTON BY YEAR BUILT

- The map shows the distribution of larger (60+ units) apartment complexes in Carrollton, color coded by age of building, with green indicating built since 2001.
- Newer apartment complexes tend to be adjacent to UWG, while apartments in the City's core tend to be older.



Source: City Of Carrollton, CoStar, Inc., Bleakly

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

STUDENT HOUSING MARKET CHARACTERISTICS

- The student housing market is a significant segment of Carrollton’s housing market that is especially relevant to the multi-family sector.
- In recent years, we have seen a nation-wide shift in dynamics of housing markets in college towns such as Carrollton. For this reason, it is important to take a moment to get a clearer understanding of the student housing market.
- Student housing generally fits into one of three categories:
 1. **On-campus facilities**– managed by a college or university, exclusively for students.
 2. **Off-campus independent student housing**– created by the private market with no affiliation to the local college other than proximity.
 3. **Off-campus affiliated student housing**– apartment or dorm style units which are off campus but have a contractual relationship with a local college or university.
- Currently, Carrollton has a combination of on-campus housing (located on the UWG campus, and operated by UWG) and private-market student housing.
- Off-campus affiliated student housing, currently does not have a significant presence in Carrollton but that is likely to change. A new public-private partnership model of student housing was created with a 2014 state constitutional amendment supported by the Board of Regents of the University System of Georgia.
 - *“This is very important for the Board of Regents of the University System of Georgia moving forward with a strong partner that embraces the living-learning community concept for student housing, and we’re looking forward to expanding this across all of the institutions in the system.”* - **Susan Ridley, Associate Vice Chancellor for Fiscal Affairs** with the **University System of Georgia** (Georgia State Univ. News 5/20/2015)



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

ON-CAMPUS HOUSING AT UNIVERSITY OF WEST GEORGIA

- The University of West Georgia had a total enrollment of 11,756 in fall 2015
- Since 2001, enrollment has increased from 10,456 to 11,756 today, a 3.0% growth rate.
- The University of West Georgia has 3,179 on-campus housing units in the following categories:
 - **Traditional Dormitories:** 624 Beds
 - **Apartment-Style Dormitories:** 598 Beds
 - **Suite Style Halls:** 1,868 Beds
 - **Fraternity & Sorority Housing:** 262 Beds
- UWG encourages an incoming freshman to live on-campus.
 - Current policy targets to house on-campus 85% of incoming freshman outside of a commuting distance (Approximately 1 hour).
- UWG currently has no immediate plans to increase the number of on-campus housing units.
 - Some older buildings may be replaced but with no net change in beds.
- UWG housing staff anticipates that new housing facilities may be likely in 5-10 years as demographic trends drive an increase in incoming freshmen.



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

PRIVATE STUDENT APARTMENTS

- Private student apartments are a growing segment of housing in Carrollton and other college towns in Georgia. In Carrollton, 10 major apartment communities, plus additional smaller apartment buildings and townhomes, are identified as Student Apartments, meaning they target students in their advertising, charge by the bed rather than the unit, and offer room-mate matching services. Originally built as conventional apartments which cater to students, increasingly these facilities are constructed in a dormitory style with separate bedrooms rented to each student and shared common areas in each suite of units.
- While these apartment communities are primarily marketed to students, they are not necessarily restricted to students, and are frequently occupied by a mix of students and non-students.
- The student apartment market goes beyond those complexes conceived and purpose-built as student apartments. In some cases, townhomes and traditional apartments have been converted, marketed and leased as student apartments.

Characteristics of the Private Student Housing Market

- Marketed primarily to students.
- Unique dorm-like floor plans with private bedrooms and bathrooms organized around a common area.
- Typically leased by the bedroom rather than the unit.
- Emphasis on youth-friendly amenities such as pools, game rooms, and gyms.
- Roommate matching services available.
- Residents are typically students originating from elsewhere, however non-students are often eligible to rent.
- Lease terms tend to be short, often less than one year.
- Residents often return to family home for weekends & holidays.
- Parents often subsidize rent, meaning students are often able to pay higher rents than prevailing market averages.

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

PRIVATE STUDENT APARTMENTS

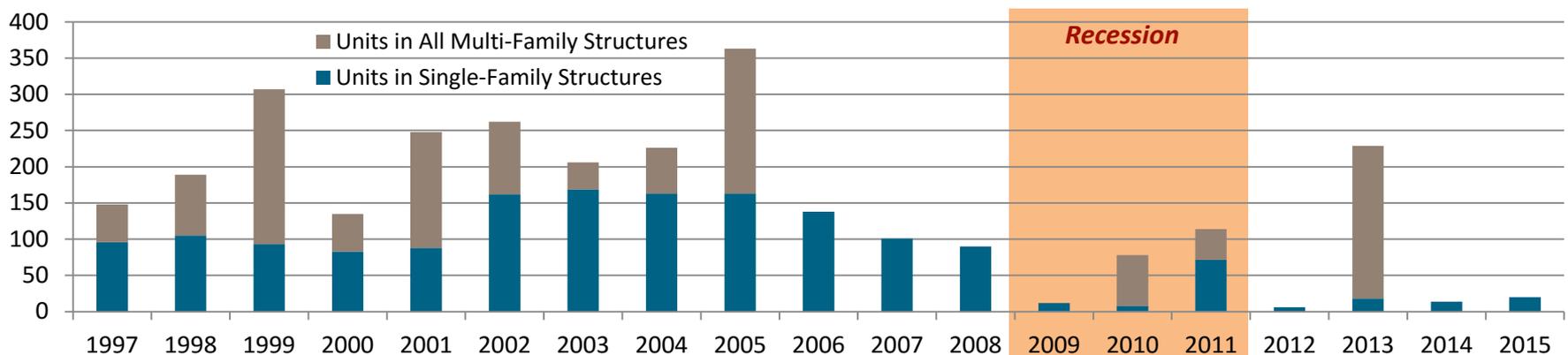
- Since 2000, Carrollton's student apartment segment has grown rapidly, from 11% of Carrollton's housing inventory in 2000 to 17% in 2016. In typical housing markets, those not dominated by a major university, dormitories represent less than 1% of housing units.
 - The most common type of unit contains 4 bedrooms, representing 44% of student apartment units. Three-bedroom units represent 30% of the inventory. The average unit contains 3.1 bedrooms.
 - The average monthly rent/bedroom is listed at \$449 per unit however, due to rent concessions, actual effective market rents appear to be significantly lower, from \$400-\$420 per month.
 - The average listed rent/unit is \$1,397 based on the average of 3.1 bedrooms per unit.
 - Reported occupancy at student apartments averages 95% (however stakeholder interviews have suggested that actual occupancy rates are significantly lower at certain complexes).
 - 77% of the student apartments currently identified in Carrollton have been built since 2000.



TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

BUILDING PERMIT TRENDS: CITY OF CARROLLTON

- From 2000-2015, the City of Carrollton issued an average of 140 building permits annually, of which 58% were for single-family detached housing and 42% for multi-family, slightly below the multi-family's current proportion of 48% of the City's housing inventory.
- Since the Great Recession began in 2008 the dynamics of development in Carrollton have shifted significantly.
- Prior to the Great Recession in 2000-2008, Carrollton averaged 197 housing permits annually.
 - Single-family units represent 65% of permits
 - Multi-family units represented 35% of all permits.
- Since 2009 the volume of building permits has dropped to an average of only 68 units a year – a 65% decline.
 - Single-family units represent only 32% of permits issued.
 - Multi-family units represented 68% of all units permitted.
- Multi-family permits spiked in 2013 and the single-family permits have continued to languish, and have not returned to their pre-recession levels.



Source: U.S. Census, SOCDs Building Permit Database

TASK 1: MULTI-FAMILY SUPPLY ANALYSIS

DEVELOPMENT PIPELINE

- The City of Carrollton Planning Department compiled data for housing units currently under development review or construction.
- The current development pipeline includes 878 units, comprised of 681 multi-family housing units, 189 single-family homes and 8 townhomes.
- Based on the latest available data from the City of Carrollton:
 - **Under Construction:** a total of 105 units are under construction.
 - **Approved:** A total of 118 single-family homes have been approved but have not yet begun construction.
 - **Plan Review:** 324 units are currently in plan review, with 316 of those units student apartments.
 - **On Hold:** An additional 331 units, all either rental apartments or student apartments, are on hold due to the six-month moratorium on multi-family housing enacted by the City in January of 2016.
- If all the units in the development pipeline were to be approved and constructed over the next two years, the City's ratio of multi-family housing would increase from 48% in 2016 to 50% in 2018.

City of Carrollton Future Development Pipeline

Housing Unit Type	Development Status				Total	% of total
	Plan Review	Approved	Construction	On Hold		
Regular Apartments	-		11	171	182	21%
Student Apartments	316		23	160	499	57%
Single Family	-	118	71	-	189	22%
Townhome/Other	8		-	-	8	1%
Total	324	118	105	331	878	100%

Source: City Of Carrollton, Bleakly

CITY OF CARROLLTON, GA MULTI-FAMILY HOUSING NEEDS ASSESSMENT

TASK 2: CHARACTERISTICS OF MULTI-FAMILY HOUSING AND ITS RESIDENTS



TASK 2: MULTI-FAMILY CHARACTERISTICS

OVERVIEW

- This section examines the characteristics of the housing and households in Carrollton.
- This section addresses several key questions:
 - What are the demographic characteristics of Carrollton's multi-family residents?
 - How has the population in multi-family housing changed over time?
 - How are those demographic characteristics related to the types of housing in which Carrollton's residents choose to live?
 - How are those demographic characteristics related to whether Carrollton's residents choose to rent or own their homes?

TASK 2: MULTI-FAMILY CHARACTERISTICS

POPULATION & HOUSEHOLD GROWTH 2000-2016

- In 2016 the City of Carrollton has an estimated population of 26,145 residents.
 - Carrollton’s population has grown modestly since 2000, at a compound average annual growth rate (CAAGR) of 1.2%, somewhat slower than Carroll County at 1.9% and the state at 1.5%.
 - Population growth over the next ten years is expected to continue at the same rate.
- Household growth in Carrollton has been slightly slower than population growth, at 1.0%.
 - This is largely due to the fact that much of Carrollton’s growth has occurred in its student population, leading to much of the growth being captured in “group housing” rather than “households”.
 - As the non-student housing market continues to recover from the Great Recession, we expect household growth to increase to 1.2%.

Population	City of Carrollton	Carroll County	State of Georgia
2000 Census	21,602	87,268	8,186,491
2010 Census	24,388	110,527	9,687,653
2016 Estimate	26,154	115,963	10,241,260
2021 Projection	31,920	134,400	10,800,894
CAGR Growth 2000-2016	1.2%	1.9%	1.5%
CAGR (Fcst) 2016-2026	1.2%	1.0%	0.9%

Households	City of Carrollton	Carroll County	State of Georgia
2000 Census	7,674	31,568	3,006,377
2010 Census	8,358	39,187	3,585,584
2016 Estimate	8,963	40,381	3,802,007
2021 Projection	10,723	46,508	4,411,124
CAGR Growth 2000-2016	1.0%	1.6%	1.5%
CAGR (Fcst) 2016-2026	1.2%	0.9%	1.0%
New Households 2016-2026	1,760	6,127	609,117
2016 Est. Average Household Size	2.56	2.75	2.62

CAGR= Compound Average Growth Rate

Source: Nielsen Inc., US Census ACS 2014, Bleakly

TASK 2: MULTI-FAMILY CHARACTERISTICS

HOUSING UNITS BY HOUSING-TYPE AND TENURE

- Renters and residents of multi-family units account for a large percent of Carrollton’s housing inventory.
 - Carrollton’s multi-family inventory is 97% renter occupied.
 - However, a significant portion of Carrollton’s rental housing inventory is not in apartments: 36.7% of renters live in single-family homes, townhomes or trailers.

Housing Unit Mix and Tenure Preference, City of Carrollton, 2014

Household Age	% of All Housing Units	% of All Renter Housing Units	% of All Owner Housing Units	% of Units in Category that are Renter-Occupied	% of Units in Category that are Owner-Occupied	Total:
Single-Family	53.8%	28.7%	91.1%	24.0%	76.0%	100%
Townhome	5.2%	4.5%	6.4%	41.3%	58.7%	100%
Subtotal- SF & Townhome	59.0%	33.2%	97.5%	25.4%	74.6%	100%
Duplex	4.6%	7.7%	0.0%	100.0%	0.0%	100%
3 or 4 -Unit	3.4%	5.8%	0.0%	100.0%	0.0%	100%
5 to 9-Unit	14.6%	23.1%	2.0%	92.0%	8.0%	100%
10 or more Units	15.9%	26.7%	0.0%	100.0%	0.0%	100%
Subtotal Multi-Family	38.5%	63.3%	2.0%	96.9%	3.1%	100%
Mobile Home or other type	2.3%	3.5%	0.5%	87.5%	12.5%	100%
Total:	100%	100%	100%			

Source: Nielsen Inc., US Census ACS 2014, Bleakly

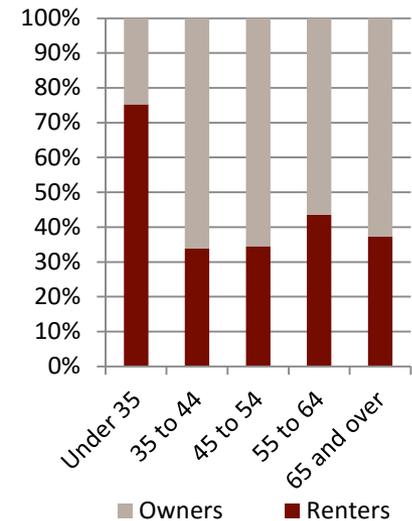
TASK 2: MULTI-FAMILY CHARACTERISTICS

AGE & RENTER HOUSEHOLDS

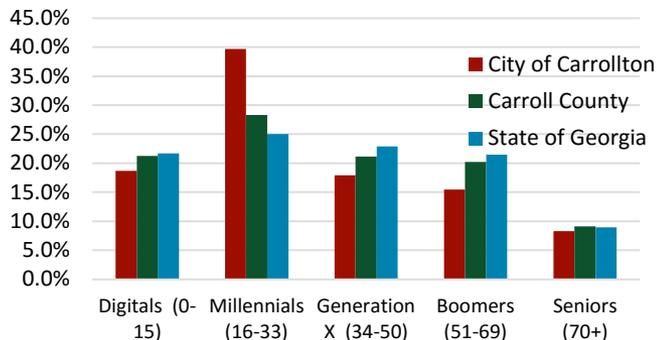
Age of householder is an important factor in predicting who are renters.

- The City of Carrollton has a significantly higher proportion of residents in the Millennial generation (ages ranging from 16-33 years old) due to the presence of University of West Georgia.
 - In Carrollton, 40% of residents are Millennials, compared to 28% in Carroll County and 25% state-wide.
 - Millennials and Gen X residents account for 57.6% of the population.
 - The Median age in Carrollton is 28.4 Years, compared to 34.3 in Carroll County and 36.5 in Georgia.
- Households headed by individuals under 35 years old most likely to be renters.
 - In Carrollton, 75% of households headed by individuals under 35 years old are renters.
 - In all other age categories, homeowners dominate, representing 56% to 66% of all households.

Housing Tenure by Age of Head of Household, 2015



Age & Generational Cohort, 2015



Age of Head of Household	% of All Household Heads in Age Category	% of All Renters in Age Category	% of All Owners in Age Category	% of Heads of Household in Age Category who Rent Homes	% of Heads of Household in Age Category who Own Homes	Total:
Under 35	36.5%	50.1%	16.5%	75.2%	24.8%	100%
35 to 44	15.3%	11.0%	21.5%	33.8%	66.2%	100%
45 to 54	12.8%	9.4%	17.8%	34.6%	65.4%	100%
55 to 64	15.5%	13.8%	17.9%	43.5%	56.5%	100%
65 and over	19.9%	15.7%	26.4%	37.3%	62.7%	100%
Total:	100%	100%	100%			

Source: Nielsen Inc., US Census ACS 2014, Bleakly

TASK 2: MULTI-FAMILY DEMAND ANALYSIS

RENTER HOUSEHOLD COMPOSITION

- Households in Carrollton are much more likely to be “Non-Family” households.
 - 43% of Carrollton's households are non-family households, meaning the householders live alone or with others to whom they are not related. County-wide, just 29% of households are non-family.

- Household composition has a strong correlation with housing tenure choice:
 - Just 25% of households formed by married couples are renters, compared to 81% for other families (including single parents) and 75% for non-family households.
 - Single-person households, which make up 32% of all Carrollton households, are twice as likely to be renters.

Household Characteristics, 2015

Household Characteristics	City of Carrollton		Carroll County		State of Georgia	
Est. Households	8,963		40,381		3,802,007	
Small Households (1 or 2 people)	5,194	58%	21,508	53%	2,166,898	57%
Large Households (5+)	955	11%	5,204	13%	439,888	12%
Households with Children	2,909	32%	15,291	38%	1,401,401	37%
Households without Children	6,054	68%	25,090	62%	2,400,606	63%
Non-Family Households	3,872	43%	11,591	29%	1,199,600	32%
2015 Est. Average Household Size	2.6		2.8		2.6	

Source: Nielsen Inc., US Census ACS 2014, Bleakly

Household Characteristics and Tenure Preference, 2014

Household Type	% of All Households	% of Households that OWN their Home	% of Households that RENT their Home	Total
Number of People in Household				
1-person	31.9%	30.6%	69.4%	100%
2-person	27.9%	46.0%	53.9%	100%
3-person	40.3%	44.1%	55.8%	100%
Family Type				
Married Couple	32.8%	76.0%	24.0%	100%
Other Family	23.5%	19.4%	80.7%	100%
Non-Family Household	43.6%	24.9%	75.1%	100%
Presence of Children				
With Related Child Under 18	33.5%	42.6%	57.5%	100%
Without Related Child Under 18	66.5%	39.2%	60.7%	100%

Source: U.S. Census American Community Survey 2014

TASK 2: MULTI-FAMILY CHARACTERISTICS

RENTAL HOUSING COST CHARACTERISTICS

- Average rental housing costs in Carrollton cover a wide spectrum.
- The median monthly housing costs for renters is \$789.
 - The majority of renters, 52%, pay between \$500 and \$999 in monthly housing costs
 - A significant group of renters, 16%, have monthly housing costs in the \$1,000 to \$1,500 range, which corresponds with many student housing units.
 - 20% of Carrollton renters pay less than \$500 (or have non-cash rent).
 - The average rent for a regular apartment in Carrollton is \$670, while the average rent for a student apartment (which tends to be larger) is \$1,367.

Monthly Housing Costs for Renter Households, City of Carrollton, 2014



Source: U.S. Census ACS 2014

TASK 2: MULTI-FAMILY CHARACTERISTICS

INCOME

- **Housing tenure** is strongly correlated with **household income**.
 - Lower-income households are much more likely to rent their homes, and renter households are more likely to have lower household incomes.
 - Of households in the lowest income bracket (earning less than \$25,000), 82% rent their homes.
 - More than half of households with income of less than \$50,000 are renters (although many of these households may be students whose income is often understated).

Housing Tenure by Household Income Range

Household Income	% of All Households in Income Category	% of All Owners in Income Category	% of All Renters in Income Category	% of Income Category		Total:
				who Own Homes	who Rent Homes	
Less than \$25,000	42.2%	13.3%	61.9%	17.7%	82.3%	100%
\$25,000 to \$49,999	24.7%	23.8%	25.4%	48.4%	51.6%	100%
\$50,000 to \$74,999	9.8%	14.8%	6.5%	69.5%	30.5%	100%
\$75,000 to \$99,999	9.4%	16.5%	4.5%	78.6%	21.4%	100%
\$100,000 to \$149,999	7.0%	15.2%	1.5%	91.0%	9.0%	100%
\$150,000 or more	6.8%	16.4%	0.3%	98.2%	1.8%	100%
Total:	100%	100%	100%			

Source: Nielsen Inc., US Census ACS 2014, Bleakly

CITY OF CARROLLTON, GA

MULTI-FAMILY HOUSING NEEDS

ASSESSMENT

TASK 3: ASSESSMENT OF
MULTI-FAMILY
HOUSING NEEDS
2016-2026



TASK 3: ASSESSMENT OF MULTI-FAMILY HOUSING DEMAND 2016-2026

OVERVIEW

- This section examines how the City of Carrollton's housing needs are likely to change over the next ten years.
- By looking at the current state of the population, housing market and projected resident and student growth trends in Carrollton, we can forecast how many new people and new households are likely in Carrollton over the next ten years.
- We first consider likely household growth trends based on a continuation of recent and long-term growth trends and growth forecasts.
- We then assess the likely growth of the UWG student population based on enrollment history and university growth forecasts.
- The final step is to forecast the number of new households in Carrollton over the next ten years, from 2016 to 2026.
- Based on current tenure trends, we estimate how many of those new households will be owner households and renter households.

TASK 3: ASSESSMENT OF NEEDS 2016-2026

POPULATION & HOUSEHOLD GROW TRENDS , CARROLLTON 2000-2016

- Since 2000, household growth trends in Carrollton have been atypical due to several factors:
 - The Great Recession of 2008-2010 caused general population & household growth to slow considerably, to an average annual rate of 1.0%.
 - UWG’s full-time student enrollment increased by 80%, increasing the City’s student population significantly.
- Based on demographic data, housing data, UWG enrollment history and building permit issuances, we can identify several growth trends from 2000-2016:
 - Carrollton’s population grew at 1.2% annually, while households increased at just 1.0%, representing 1,289 new households.
 - UWG’s full-time enrollment grew by 3.7%, representing an estimated 1,322 households, meaning that student household growth outpaced general household growth.

Summary of Population & Household Growth 2000-2016

Population & Households				Change	CAGR
	2000	2010	2016 (Est)	2000-2016	2000-2016
Population	21,602	24,388	26,154	4,552	1.2%
Households	7,674	8,358	8,963	1,289	1.0%
Housing Units	7,677	9,736	10,430	2,753	1.9%
Student FT Enrollment	6,645	10,212	11,934	5,289	3.7%
Estimated Student Households*	1,661	2,553	2,983	1,322	3.7%

Source: Bleakly, Nielsen Inc., U.S. Census ACS 2014,

* Student Households represent off-campus households, adjusted for on-campus commuters. Estimated to be one student household per four full-time enrolled students at UWG based on enrollment and housing trends since 2000.

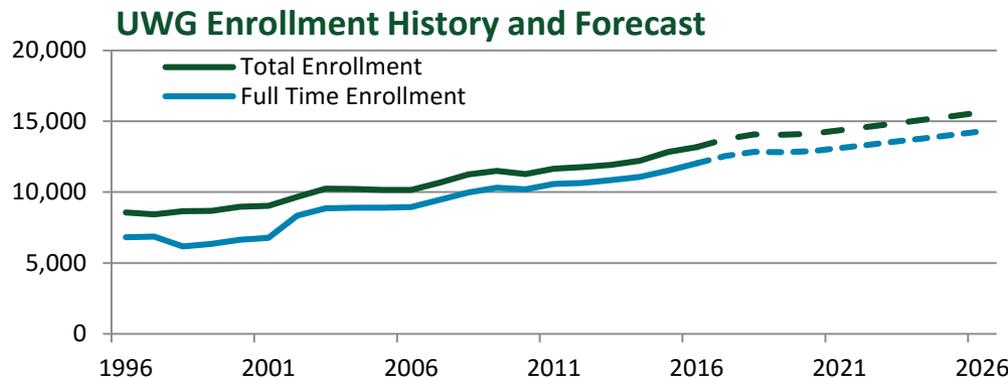
TASK 3: ASSESSMENT OF NEEDS 2016-2026

UNIVERSITY OF WEST GEORGIA

HISTORIC ENROLLMENT TRENDS

- An important input in assessing future multi-family demand in Carrollton is the projected enrollment at the University of West Georgia, which drives student housing demand.
- UWG’s growth also has significant secondary impacts, in terms of housing demand generated by faculty and staff, and the economic impacts of the university and its community on the local economy.
- Since 2002, enrollment at UWG has outpaced the population and household growth of Carrollton’s population and households: Since 2000, total enrollment has grown by 2.4% annually, while full-time enrollment has grown at a rate of 3.7% annually. UWG anticipates a slightly slower level of enrollment growth of 1.7% over the next 10 years.
- From 2016 to 2026 UWG anticipates growth of an additional 2,250 full time students over the coming decade, or an average of 225 students per year.

Year	Total Enrollment	Full Time Enrollment
2000	8,966	6,645
2001	9,030	6,767
2002	9,675	8,350
2003	10,255	8,865
2004	10,216	8,898
2005	10,154	8,907
2006	10,163	8,941
2007	10,677	9,461
2008	11,252	9,988
2009	11,500	10,308
2010	11,283	10,212
2011	11,646	10,575
2012	11,769	10,638
2013	11,929	10,847
2014	12,206	11,077
2015	12,834	11,530
2016	13,184	12,042
2017	13,749	12,559
2018	14,066	12,848
2019	14,047	12,831
2020	14,119	12,896
2021	14,363	13,119
2022	14,611	13,346
2023	14,864	13,577
2024	15,120	13,811
2025	15,382	14,050
2026	15,647	14,292



Source: UWG Housing & Residence Live Auxiliary Enterprise Business Plan, 2015.

TASK 3: ASSESSMENT OF NEEDS 2016-2026

POPULATION & HOUSEHOLD GROWTH FORECAST 2016-2026

What is the future demand for housing in Carrollton?

- Since 2000, Carrollton’s population has been growing at a compound average annual growth rate (CAAGR) of 1.2% and its households have been growing at a rate of 1.0%.
- If the City continues the 1.0% household growth rate over the next decade it will add 914 new households, for an average of 91 new households per year.
- The University of West Georgia is projecting full-time enrollment to grow at 1.7% annually over the coming decade. We estimate this will generate demand for 589 off-campus housing units (assuming an average 3.1 beds per unit) or an average of 59 off-campus housing units per year.
- Currently 64% of all households in Carrollton are renters, however there is significant variation in the tenure preferences of student households and resident (non-student) households.
 - Student households overwhelmingly tend to rent- we estimate that 95% of student households will be renters.
 - For resident (non-student) households, 50.5% are likely to rent, and 49.5% are likely to own their homes.

Housing Demand in Carrollton 2016-2026

Housing Demand in Carrollton 2016-2026				
	2016	2026	Total New 2016-2026	Annual Average
Total Housing Demand				
Resident Households	8,963	9,877	914	91
Off-Campus Student Households	2,983	3,572	589	59
Total	11,946	13,449	1,503	150
Demand by Tenure				
Resident (non-student) Demand				
Renter Demand 50.5%			462	46
Owner Demand 49.5%			452	45
Off-Campus Student Demand				
Renter Demand 95%			560	56
Owner Demand 5%			29	3
Total Rental Demand			1,021	102
Total Owner Demand			482	48
Total Demand			1,503	150

- Carrollton will experience demand for 150 new households annually over the next ten years, consisting of 91 resident households and 59 student households.
- Of those 150 new households, 102 (68%) will be renter households and 48 (32%) will be owner households.

CITY OF CARROLLTON, GA

MULTI-FAMILY HOUSING NEEDS ASSESSMENT

TASK 4: MULTI-FAMILY ECONOMIC IMPACT ANALYSIS



THE FISCAL IMPACT OF MULTI-FAMILY HOUSING



- This section of the report examines the fiscal impact of multi-family housing in the City of Carrollton. The analysis looks at **the balance** between the **revenues generated** by multi-family housing and the **cost of providing city services** to that housing to determine if this form of housing is a net revenue generator or a net cost to the city, from a municipal service perspective.
- The focus of the analysis is on **rental apartment complexes** in the city, since they represent the bulk of the multi-family housing inventory. We have included both conventional apartments and student housing complexes.
- We have used an **average costing approach**, which is the most widely used fiscal impact methodology. It evaluates local governmental service costs on an average per-pupil, per-resident and per-employee basis, since this treats all students, residents and employees equitably over time as opposed to looking at the specific and varying current costs of individual city services.
- We are focusing on **municipal and school service costs**; we have included those costs directly impacting the city of Carrollton and not County services(though we believe the general outcomes would be consistent if they were included).
- We have employed **resident and student-aged population multipliers for the State of Georgia** since we did not have access to actual resident and student counts per complex for privacy reasons. These resident and student multipliers are widely used for similar analyses state-wide. We have tested them for reasonableness against local census household estimates.

MULTI-FAMILY FISCAL IMPACT

CARROLLTON LOCAL REVENUES: RESIDENTIAL AND NON-RESIDENTIAL MIX

- The City of Carrollton generates 66% of its annual revenue from local taxes and fees. Property taxes, sales taxes and franchise fees are the top three revenue sources.
- In this analysis we focus on the property tax and sales tax portion of local revenues.

Carrollton General Fund Revenue Budget 2015-2016	
Ad Valorem Taxes	\$3,850,000
Franchise Fees	\$2,525,000
Local Option Sales Tax	\$3,975,000
Insurance Premium Tax	\$1,380,000
Occupational License Tax	\$975,000
Other Tax Revenue	\$770,000
Total Tax Revenue	\$13,475,000
Licenses and Permits	\$300,000
Intergovernmental	\$4,875,176
Fines & Forfeitures	\$850,000
Charges for Services	\$1,250,103
Miscellaneous	\$245,000
Total Non-Tax Revenue	\$7,520,279
Total Revenue	\$20,995,279
General Fund Budget from Local Sources (Taxes & Permits)	\$13,775,000
% of General Fund from Local Sources	65.6%

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

City of Carrollton Residential/NonResidential Valuation	
Residential Valuation Ratio	
Gross Digest	\$746,215,713
Total Residential Values (including mobile homes)	\$266,456,997
Total Non-Residential Values	\$479,758,716
Residential Value Percentage	35.7%

Residential Parcel Ratio	
Total County Tax Parcels/Units	31,997
Total Residential Parcels/Units	13,884
Residential Parcel Percentage	43.4%

Proportional Valuation Ratio - Residential	
Estimated Share of Residential Costs (43.4%+39.5%)/2	39.5%

* Resident-oriented budget category

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

- Based on the 2014 Tax Digest for Carrollton, the proportion of the digest that is residential and non-residential was determined by averaging two measures—the proportion of the total digest valuation and the number of parcels.
- Based on an average of these two ratios, we have assumed that 40% of Carrollton’s digest is residential and 60% non-residential, a key measure that is used to allocate local service costs in the budget.

MULTI-FAMILY FISCAL IMPACT

The Cost of Carrollton Services Per Resident and Employee

- Using the 2015-2016 budget for Carrollton, it is possible to estimate the local governmental service costs associated with residential properties and non-residential properties in the city. We have evaluated each of the key budget categories and allocated those cost based on the overall residential split (40% residential/60% non-residential) or adjusted that ratio to reflect services which are more focused on residents or business operations from our experience in similar Georgia cities (shown as categories with an asterisk).
- This allocation of resident and non-resident service costs was used to derive a per-resident and per-employee service cost by dividing the total service cost for residential by the city's population and the non-residential costs by the number of non-city employees working in Carrollton.
- This resulted in an estimated annual service costs from local sources of \$322 per resident and a \$296 per local employee.

City of Carrollton Residential/Non-Residential Service Costs			
Expenditure Category	2015-2016 Budget	Residential	Non-Residential
General Administration	\$1,627,629	\$642,913	\$984,716
Planning/community Development	\$322,821	\$127,514	\$195,307
Police*	\$6,425,029	\$5,011,523	\$1,413,506
Fire*	\$4,943,543	\$1,952,699	\$2,990,844
Recreation and Cultural Arts*	\$5,200,632	\$4,056,493	\$1,144,139
Streets and Engineering	\$1,780,861	\$703,440	\$1,077,421
Other Programs and Services	\$694,764	\$274,432	\$420,332
Total General Fund Expenditure Budget	\$20,995,279	\$12,769,015	\$8,226,264
Expenditures per Resident			
2016 City Residents		26,154	
Service Costs per Resident		\$488	
Percentage of Budget from Local Sources		66%	
Service Costs per Resident from local sources		\$322	
Expenditures per Employee (Non-Governmental)			
2016 City Employment (non-Governmental)			18,365
Non-Residential Service Costs per non-Gov. Employee			\$448
Percentage of Budget from Local Sources			66%
Non-Residential Service Costs per employee from local sources		\$296	

* Resident-oriented budget category

Source: City of Carrollton Proposed FY2015-2016 Budget , US Census, Bleakly

MULTI-FAMILY FISCAL IMPACT

DETERMINING THE LOCAL COST PER STUDENT IN CARROLLTON SCHOOLS

Budgetary data for the Carrollton City Schools indicates that for the 2015-2016 school year total revenue for the City school system is \$45.4 million.

- Approximately \$13.7 million of these operating funds, 30%, comes from local taxes, with the balance coming from State and Federal funding.
- Based on the Carrollton’s City Schools enrollment of 4,935 students, the average cost of education per pupil is \$9,209 per year with \$2,778 per pupil is raised through local taxes. This local share is what was used to determined the net fiscal impact of multi-family housing to the City.

Carrollton City Schools Budget 2015-16	
Sources of Revenue	
Property Taxes	\$ 13,251,887
Other Taxes and TAVT	\$ 460,000
Fund Equity	\$ 758,198
Georgia Department of Education	\$ 23,577,542
School Nutrition	\$ 2,600,000
Federal Grants	\$ 4,800,000
Total Revenue	\$ 45,447,627
Revenue from Local Taxes	\$ 13,711,887
% of Revenue from Local Sources	30.2%
Total Enrollment	4,935
Average School Cost per Pupil from General Fund	\$ 9,209
Average School Cost per Pupil from Local Sources	\$ 2,778

Source: Carrollton City Schools, GDOE, Bleakly

Carrollton City Schools: Expenditure per Student

- Total Expenditure per Student
- Local Revenue per Student



MULTI-FAMILY FISCAL IMPACT

FISCAL IMPACT ANALYSIS



The next four pages present an analysis of the fiscal impacts of a sample of four multi-family complexes in Carrollton.

South of Maple Apartments (SOMA): an older, 208-unit apartment complex located on Hays Mill Road in Carrollton.

- The complex has a current assessed value of \$1.2 million and an assessed value of \$5,909 per unit.
- The complex generates approximately \$16,000 in City revenue and approximately \$28,400 in school revenue, for a total of \$44,662 in combined revenue.
- Total revenue from SOMA and its resident spending is \$662.
- It costs Carrollton \$140,369 annually to provide services to SOMA. It costs city schools an estimated \$159,264 to educate children at SOMA, for a total local service cost of \$299,634.
- SOMA generates a net revenue deficit to the City of \$254,972.

	Market Value	Assessed Value	Units	Assessed Value Per Unit	Carrollton & City Schools Millage @.02367
SOMA					
Revenues	\$ 3,072,880	\$ 1,229,152	208	\$ 5,909	
City					
Property Tax @.00462					\$ 5,679
Sales Tax 2% at @\$56.34 per HH					\$ 10,547
Total City Revenue					\$ 16,226
City Schools					
Property Tax @0.01905					\$ 23,415
ESPLOST @ \$26.82 per HH					\$ 5,021
Total School Revenue					\$ 28,436
Total Revenue					\$ 44,662
Service Costs					
				Total	
Units	1 Bedroom	2 Bedroom	3 Bedroom		
Total Units	40	149	19	208	
Residents					
Residents per Unit	1.49	2.11	3.26		
Total Residents	60	314	62	436	
City Service Cost Per Resident	\$ 322	\$ 322	\$ 322		
City Service Cost per Unit	\$ 480	\$ 679	\$ 1,050		
Total Resident Cost	\$ 19,191	\$ 101,234	\$ 19,945	\$ 140,369	
School Age Children					
School Children Per Unit	0.08	0.26	0.81		
Total School Children	3	39	15	57	
Local School Costs per Student	\$ 2,778	\$ 2,778	\$ 2,778		
Total Student Cost	\$ 8,891	\$ 107,620	\$ 42,753	\$ 159,264	
Total Cost: Residents & School-Age Children				\$ 299,634	
Net Surplus/Deficit				\$ (254,972)	

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

MULTI-FAMILY FISCAL IMPACT

FISCAL IMPACT ANALYSIS



Magnolia Lake Apartments: a newer, 216-unit apartment complex located on Burns Road in Carrollton.

- The complex has a current assessed value of \$3.45 million and an assessed value of \$15,971 per unit.
- The complex generates approximately \$27,000 in City revenue and approximately \$71,000 in school revenue, for a total of \$97,823 in combined revenue.
- Total revenue from Magnolia Lake and its resident spending is \$97,403.
- It costs Carrollton \$155,294 annually to provide services to the residents. It costs the city schools an estimated \$193,682 to educate children at the complex, for a total local service cost of \$348,976.
- Magnolia Lake generates a net revenue deficit to the City of \$251,154.

	Market Value	Assessed Value	Units	Assessed Value Per Unit	Carrollton & City Schools Millage @ .02367
Magnolia Lake					
Revenues	\$ 8,624,451	\$ 3,449,780	216	\$ 15,971	
City					
Property Tax--City @.00462					\$ 15,938
Sales Tax 2% @ \$56.34 per HH					\$ 10,952
Total City Revenue					\$ 26,890
City Schools					
Property Tax @0.01905					\$ 65,718
ESPLOST 1% @ \$26.82 per HH					\$ 5,214
Total School Revenue					\$ 70,932
Total Revenue					\$ 97,823
Service Costs					
					Total
Units	1 Bedroom	2 Bedroom	3 Bedroom		
Total Units	24	156	36		216
Residents					
Residents per Unit	1.49	2.11	3.26		
Total Residents	36	329	117		482
City Service Cost Per Resident	\$ 322	\$ 322	\$ 322		
City Service Cost per Unit	\$ 480	\$ 679	\$ 1,050		
Total Resident Cost	\$ 11,515	\$ 105,990	\$ 37,790		\$ 155,294
School Age Children					
School Children Per Unit	0.08	0.26	0.81		
Total School Children	2	41	29		72
Local School Costs per Student	\$ -	\$ 2,778	\$ 2,778		
Total Student Cost	\$ -	\$ 112,676	\$ 81,006		\$ 193,682
Total Cost: Residents & School-Age Children					\$ 348,976
Net Surplus/Deficit					\$ (251,154)

Source: City of Carrollton Proposed FY2015-2016 Budget , Bleakly

MULTI-FAMILY FISCAL IMPACT

FISCAL IMPACT ANALYSIS



Mayfair Apartments: a newer, 120-unit apartment complex located on Columbia Drive in Carrollton.

- The complex has a current assessed value of \$2.08 million and an assessed value of \$17,324 per unit.
- The complex generates approximately \$16,000 in City revenue and approximately \$42,500 in school revenue, for a total of \$58,187 in combined revenue.
- Total revenue from Mayfair and its resident spending is \$57,954.
- It costs Carrollton \$76,958 annually to provide services to the residents. It costs the city schools an estimated \$73,895 to educate children at the complex, for a total local service cost of \$150,853.
- Mayfair generates a net revenue deficit to the City of \$92,666.

	Market Value	Assessed Value	Units	Assessed Value Per Unit	Carrollton & City Schools Millage @.02367
Mayfair					
Revenues	\$ 5,197,070	\$ 2,078,828	120	\$ 17,324	
City					
Property Tax @.00462					\$ 9,604
Sales Tax 2% @ \$56.34 per HH					\$ 6,085
Total City Revenue					\$ 15,689
City Schools					
Property Tax @0.01905					\$ 39,602
ESPLOST @ \$26.82 per HH					\$ 2,897
Total City School Revenue					\$ 42,498
Total Revenue					\$ 58,187
Service Costs					
				Total	
Units	1 Bedroom	2 Bedroom	3 Bedroom		
Total Units	60	40	20	120	
Residents					
Residents per Unit	1.49	2.11	3.26		
Total Residents	89	84	65	239	
City Service Cost Per Resident	\$ 322	\$ 322	\$ 322		
City Service Cost per Unit	\$ 480	\$ 679	\$ 1,050		
Total Resident Cost	\$ 28,787	\$ 27,177	\$ 20,994	\$ 76,958	
School Age Children					
School Children Per Unit	0.08	0.26	0.81		
Total School Children	5	10	16	31	
Local School Costs per Student	\$ -	\$ 2,778	\$ 2,778		
Total Student Cost	\$ -	\$ 28,891	\$ 45,004	\$ 73,895	
Total Cost: Residents & School-Age Children				\$ 150,853	
Net Surplus/Deficit				\$ (92,666)	

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

MULTI-FAMILY FISCAL ANALYSIS

FISCAL IMPACT ANALYSIS



Haven West: a newer, 568-bed student apartment complex located on Lovvorn Road in Carrollton.

- The complex has a current assessed value of \$4.57 million and an assessed value of \$8,050 per bed (roughly equivalent to \$24,953/unit assuming an average of 3.1 beds/unit).
- The complex generates approximately \$50,000 in City revenue and approximately \$101,000 in school revenue, for a total of \$150,736 in combined revenue.
- Total revenue from Haven West and its resident student spending is \$145,491.
- It costs Carrollton \$164,606 annually to provide services to the residents. City schools incur no costs since there are no school-aged children at the complex. The total local service cost is therefore, \$164,606.
- Haven West generates a net revenue deficit to the City of \$13,871.

	Market Value	Assessed Value	Units	Assessed Value Per Bed	Carrollton & City Schools Millage @ .02367
Haven West					
Revenues	\$ 11,430,528	\$ 4,572,211	568	\$ 8,050	
City					
Property Tax @ .00462					\$ 21,124
Sales Tax 2% at \$56.34 per HH					\$ 28,801
Total City Revenue					\$ 49,925
City Schools					
Property Tax @ 0.01905					\$ 87,101
ESPLOST 1% @ \$26.82 per HH					\$ 13,710
Total City School Revenue					\$ 100,811
Total Revenue					\$ 150,736
Service Costs					
Units	1 Bedroom	2 Bedroom	3 Bedroom	Total	
Total Units	568	0	0	568	
Residents					
Residents per Unit	1	2.11	3.26		
Total Residents	511	0	0	511	
City Service Cost Per Resident	\$ 322	\$ 322	\$ 322		
City Service Cost per Unit	\$ 322	\$ 679	\$ 1,050		
Total Resident Cost	\$ 164,606	\$ -	\$ -	\$ 164,606	
School Age Children					
School Children Per Unit	0	0	0.81		
Total School Children	0	0	0	0	
Local School Costs per Student	\$ 2,778	\$ 2,778	\$ 2,778		
Total Student Cost	\$ -	\$ -	\$ -	\$ -	
Total Cost: Residents & School-Age Children					\$ 164,606
Net Surplus/Deficit					\$ (13,871)

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

MULTI-FAMILY FISCAL ANALYSIS: SUMMARY

- A sample of four multi-family apartment complexes in Carrollton were analyzed from a fiscal impact perspective in the preceding pages. The four complexes are SOMA, Magnolia Lake, Mayfair and West Haven. The first three are conventional apartments, West Haven is a student apartment complex.
- The four complexes house an estimated 1,688 residents, of those residents an estimated 160 are school-aged children.
- The combined revenue (City and Schools property tax and estimated local sales tax generated by resident spending) generated by the four complexes annually is \$351,000.
- The cost of providing municipal services and educating the student-aged population of the four complexes annually is estimated to be \$964,000.
- Providing services to the residents of the four multi-family complexes costs the City and Schools \$613,000 more than the tax revenue that is generated by those complexes.
- All four multi-family complexes sampled are generating a significant annually revenue deficit.
- This fiscal revenue gap is largely driven by the low property tax appraisal values and the 25% sales tax split with Carroll County as much as the service costs of multi-family housing alone.
- *Thus, based on this analysis, multi-family housing represents a net fiscal burden to the City and Schools.*

SUMMARY OF NET FISCAL IMPACT OF SAMPLE MULTI-FAMILY COMPLEXES							
Complex	Units/Beds*	Residents	Students	Revenues	Service Cost	Net Revenue	Net Rev./Unit
SOMA	208	436	57	\$44,662	\$299,634	-\$254,972	-\$1,226
Magnolia Lake	216	482	31	\$58,187	\$348,976	-\$251,154	-\$1,163
Mayfair	120	239	72	\$97,823	\$150,853	-\$92,666	-\$772
Haven West*	568	511	-	\$150,736	\$164,606	-\$13,871	-\$24
Totals	1,112	1,668	160	\$351,407	\$964,069	-\$612,662	-\$551

Source: City of Carrollton Proposed FY2015-2016 Budget, Bleakly

MULTI-FAMILY CRIME IMPACTS

CRIME RATES OVER TIME, STUDENT & CONVENTIONAL APARTMENTS

- Crime data for a sample of 10 conventional and 13 student apartment complexes was provided by the Carrollton Police.
- The data is for total police incidents, which is any activity that results in a written report, excluding traffic violations.
- It shows that over a six year period the total number of police incidents at student and conventional apartments increased by an 18% compound annual average rate- growing from 245 to 619 incidents over the six years.
- Incidents in conventional apartments increased by 15% compounded annually; and in student housing by 20% compounded annually.
- In 2015 there were 23 incidents per 100 multi-family units verses only 8 incidents per 100 single family units.
- *Thus, there has been a rising number of police incidents in multi-family housing in Carrollton over the past six years.*

Annual Crime Incidents in Multi-Family Housing 2010-2015



REPORTED CRIME INCIDENTS 2010-2015

Year	Student Apartments	Conventional Apartments	Total
2010	129	116	245
2011	140	122	262
2012	271	221	492
2013	282	239	521
2014	307	251	558
2015	362	257	619

Incident: Any crime where a report is written excluding traffic violations.

Source: City of Carrollton Police 2016

MULTI-FAMILY CRIME

2015 INCIDENTS BY COMPLEX

- The data in the accompanying tables reports the total police incidents which occurred at a sample of 13 student apartment complexes and 10 conventional apartment complexes in Carrollton, GA.
- A police incident is any action which results in a written report, excluding traffic violations.
- As shown, the incident rate is slightly higher in the student apartments at .28 per unit verses .19 per unit for conventional apartments.
- There are several projects which have a significantly higher incident rate that the average: Carrollton Place/Crossing, River Edge, the Villages and Carrollwood all have more incidents per unit that their peers.
- The police incidents are significantly higher in apartment complexes than in single family residences.

Annual Crime Incidents 2015 by Multi-Family Complex

Housing Type	2015 Crime Incidents		
	Units	Incidents	Unit:Incident Ratio
Student Apartments			
Cmpus Crest/The Grove	159	46	0.29
Campus Quad/The Flats	255	71	0.28
Campus Walk	122	25	0.20
Carrollton Place/Crossing	84	43	0.51
Cottages at Brumbelow	40	2	0.05
Haven West	183	37	0.20
Madeville Lofts	86	15	0.17
River Edge	48	23	0.48
River Place	132	53	0.40
Southridge	50	3	0.06
The Villages/Cunningham Drive	40	17	0.43
The Orchard	57	9	0.16
University Lofts/Student Quarters	45	18	0.40
Total	1,301	362	0.28
Conventional Apartments			
Carrollwood	88	43	0.49
Waverly	88	2	0.02
Lakeview	99	36	0.36
Crosscreek	101	18	0.18
South Park	110	5	0.05
Mayfair at Carrollton	120	21	0.18
English Village	124	21	0.17
Woodglen	188	32	0.17
South of Maple	208	33	0.16
Magnolia Lake	216	46	0.21
Total	1,342	257	0.19
Multi-Family vs. Single Family			
Student + Conventional Apartments	2643	619	0.23
Single Family Units	5167	438	0.08

Incident: Any crime where a report is written excluding traffic violations.
Source: City of Carrollton Police 2016

CITY OF CARROLLTON, GA MULTI-FAMILY HOUSING NEEDS ASSESSMENT

TASK 5: KEY FINDINGS AND POLICY RECOMMENDATIONS



RECOMMENDATIONS

KEY FINDINGS OF THE MULTI-FAMILY NEEDS ANALYSIS

- Carrollton has a disproportionate level of multi-family housing compared to its peer cities.
- Permit activity since 2009 has been dominated by multi-family housing— 68% of all permits issued.
- Housing demand projections for Carrollton call for a modest expansion of multi-family inventory over coming decade of 1,071 units, or an average of 107 per year (with existing vacancies able to absorb a portion of that demand).
- Student housing as been the most rapidly growing segment of multi-family housing. 864 units have been added since 2000 and 300+ more are currently in the development pipeline. Students will represent approximately 50% of future multi-family demand.
- Enrollment forecast for UWG indicate modest growth in demand for additional student housing units in next ten years.
- From a fiscal impact perspective, multi-family housing is generating revenue deficits for the city when the cost of service is compared to the revenue generated. Student housing is in a more neutral fiscal posture due to the absence of school age children and the services they require.
- The incidence of crime at multi-family housing has risen dramatically over the past six years from 245 incidents in 2010 to 619 incidents in 2015— an 18% annual increase.
- Crime incidents are roughly three times more likely in multi-family housing than single family housing.

RECOMMENDATIONS

OVERVIEW OF RECOMMENDATIONS

The goal of the City of Carrollton should be to preserve and enhance the operation of its current and future multi-family housing inventory, given its importance to many of the city's residents with moderate incomes.

The City should also consider the importance of the student housing segment of the multi-family inventory both to achieving the educational mission of the University of West Georgia but also in the long range benefit to Carrollton from the substantial positive economic impact which results from being the home of UWG. Addressing the current off-campus student housing issues should be a concern to both UWG and the City of Carrollton due to the negative impression it can cast upon both the University and the City

Given these goals, we would recommend the City consider policy changes in five areas:

1. **Promote greater single-family/multi-family housing balance** by establishing a desired ratio between the two housing types and working over time to achieve that balance.
2. **Reform zoning and land use policies which govern future multi-family** development to achieve the desired outcome of a healthier housing sector.
3. **Improve the fiscal impact of Multi-family housing on the city** to cover the additional service costs associated with multifamily housing complex. Consider implementing reforms to current regulatory policies including higher tap fees, higher plan review fees, and possibly impact fees.
4. **Partner with UWG** to improve the quality of student life in existing off campus housing while lessening negative resident impacts
5. **Encourage the redevelopment of existing multi-family inventory**— The city should adopt a number of strategies to encourage the redevelopment and improvement of existing, older multifamily inventory over time.

RECOMMENDATIONS

1. PROMOTE GREATER SINGLE-FAMILY/MULTI-FAMILY HOUSING BALANCE

- The data presented earlier in this report has shown that Carrollton has a high proportion of multi-family housing and a relatively high proportion of renter-occupied housing
 - 48% of Carrollton's housing inventory is multi-family compared to 24% statewide in Georgia.
 - Among Carrollton's regional peer cities multifamily is 29% of the stock, among the College Town peers it is 40%.
 - 64% of Carrollton's households are renters versus 34% statewide.
 - Among Carrollton's regional peer cities 48% of households are renters and among college town peers 60% are renters.
- By any comparable measure Carrollton has an imbalance of multi-family housing and a high rate of renter households. This imbalance has a number of consequences that impact the long term well-being of the City.
 - It creates a fiscal burden on city finances, due to the higher service costs which are not offset by project revenues.
 - It creates a growing level of crime at concentrated locations without a compensating tax base to pay for the increased cost.
 - The city does not have the balance between homeownership and rental housing that is typically found in other Georgia communities.
- The large supply of multi-family housing in Carrollton is likely a factor in the City's relatively low rents and property values, which ultimately limits the economic and fiscal productivity of the housing inventory, leading to deferred maintenance and disincentivizing to reinvestment.
- To address these issues, the City may wish to consider setting a long range policy goal of achieving a balance of 35-40% multifamily housing and 60-65% single family housing in the future.
- More specifically, the city may want to consider limiting future permit approvals in a given year to this ratio and monitor its impacts over the coming decade. Since 2000, the city has been approving an average of 140 units per year through its permitting process. This would suggest a targeted mix of 80-90 single family permits and 50-60 multi-family permits per year.
- Redevelopment of existing multi-family housing could be exempt from these targets as a way to encourage redevelopment.

RECOMMENDATIONS

2. REFORM ZONING AND LAND USE POLICIES

- Private student housing has been the fastest growing real estate segment in Carrollton since 2000, and now represents an estimated 17% of the City's housing units.
 - Carrollton's Uniform Development Ordinance is not equipped to address the special regulation challenges of private student dormitories.
 - Private student dorms have emerged from relative obscurity to a dominant market position over a relatively short period of time, in Carrollton as well as college-centered communities across the Country. As a result, many cities are currently struggling to adapt their zoning and land use regulations.
- The key challenges to crafting public policy to best manage private student dormitories are:
 - **Definition:**
 - What defines a private student dorm?
 - How is it different from an on-campus student housing and conventional housing?
 - What are the **physical characteristics** of a dormitory, as opposed to the **usage characteristics**?
 - **Regulation:**
 - How can we best manage the placement, construction, and use of future private dormitories?
 - How should regulations be applied to private dorms the same or differently from conventional multi-family apartments?
 - How will changes in one area of the regulatory environment impact other building types?

RECOMMENDATIONS

2. REFORM ZONING AND LAND USE POLICIES

Carrollton's UDO equates "Dormitory" with "multifamily dwelling" such that the UDO cannot be used to address private student dormitories, which represent much of the City's current housing inventory, and the majority of the City's new housing since 2000.

The UDO defines key terms as follows:

- **"Dormitory.** A building in which lodging or boarding and lodging are provided for more than five people not of the same family unit, for compensation and not necessarily open to the public. For the purposes of administering this UDO, dormitories shall be considered multi-family dwellings."
- **"Dwelling, Multifamily.** A building either designed, constructed, altered or used for more than two adjoining dwelling units, with each dwelling unit having a party wall or party floor-ceiling connecting it to at least one other dwelling unit in the building."
- **"Dwelling Unit.** One or more rooms, including kitchen and toilet facilities, designed for the occupancy, cooking and sleeping of one or more persons living as a family.+

Source: [UDO 1.09.01].

- This raises several issues:
 - Student housing is typically leased by the bed, while conditional housing is typically leased by the unit. Student housing leases generally tend to be fixed to a single academic year.
 - Student housing has usage characteristics distinct from conventional housing, particularly in regards to parking, noise, parties and gatherings, and other issues which often cause conflict quality of life.
 - "Dwelling Units" are defined "designed for the occupancy of ...of persons living as a family", whereas students living in a Dormitory typically do not fit this profile.

RECOMMENDATIONS

2. REFORM ZONING AND LAND USE POLICIES

Recommendations:

- Amend the Uniform Development Ordinance definition of Dormitory to sever the equivalency with multi-family dwellings and define dormitory as its own entity.
- Key elements defining the revised definition of “Dormitory” should include some combination of the following:
 - Leased by the bed or bedroom, without the exclusive use of private kitchen facilities
 - Multiple bedrooms sharing common kitchen facilities
 - Housing three or more people not of the same family unit
 - Distinguish dormitories owned by educational institutions from privately-owned dormitories
- The specific language for the new definition of “dormitory” should be crafted by an attorney or land use planner with extensive zoning and land use experience.
- The “Dormitory” land use could be subjected to revised or additional conditions in one of four ways:
 1. Provide **supplemental standards** for the Dormitory land use detailed in the UDO,
 2. Require a **Special Use Permit**, which would require that the use complies with supplemental standards as well as authorization by the Mayor and City Council.
 3. Create a “**Dormitory**” **overlay district** to that would define desired concentrations of student housing. Limit permitting of dormitories to areas zoned MR within the overlay district, and require that dormitories meet supplemental.

RECOMMENDATIONS

3. IMPROVE THE FISCAL IMPACT OF MULTI-FAMILY HOUSING

As in most communities, multifamily housing operates at a net loss in terms of city and school services. This problem is particularly acute in Carrollton due to the low value of most of the apartment inventory, due to the modest rent levels that can be achieved. As a result, property and sales taxes do not off-set local service costs. Policies which can off-set some of the revenue loss from multi-family housing could include the following:

■ **New multi-family demand will be modest**

- Future multi-family demand estimates are modest; with the exception of the replacement of older units, there is no need to rapidly expand the multi-family housing inventory.

■ **Consider imposing impact fees for public safety**

- This could be an option, particularly for fire and public safety costs. The State of Georgia tightly regulates the use of impact fees to off-set the costs associated with providing the infrastructure needed for four services, police, fire, parks and transportation (O.C.G.A.36-71). The imposition of an impact fee must be tied closely to the cost of providing the needed infrastructure in each of these four areas and not to cover operating and maintenance service costs.

- For example, while police service costs appear higher in multifamily housing, the portion of these costs related to operations rather than initial infrastructure are not eligible for use of impact fees.

■ **Increase plan review/tap and permitting fees**

- It may be possible to recoup some of the additional cost of servicing multi-family housing through higher plan review, tap fees and permitting fees. However, like impact fees these would be one-time charges and service demands are a recurring costs.

RECOMMENDATIONS

4. PARTNER WITH UWG AND WEST GEORGIA TECH

- There are typically three types of student housing in Georgia:
 - **On-Campus dormitories** or student apartments controlled by the University
 - **Off-Campus student housing complexes**, privately owned but affiliated with the University
 - **Off-Campus student housing complexes** which are independent.
- In Carrollton, only two of these types of student housing are present: The University of West Georgia has 3,100+ on-campus housing units. There is currently over 1,100 independent student housing units with an additional 300+ units in the development pipeline.
- There are no off-campus student housing units which are affiliated with UWG or WGT.
- Police incidents have escalated in these developments over the past six years, leading to negative perceptions of UWG and Carrollton for many of the students, as well as increased public safety costs and possible negative impacts to the reputation of the City, UWG, and West Georgia Tech.
- We believe that off-campus student housing in Carrollton could be improved to the benefit of the city, the universities, the owners of the housing and their residents by implementing several reforms:
 - **Create a Joint Student Life and Safety Task Force** – the Task Force would be comprised of representatives of the City, UWG and WGT, the student housing landlords, and student/tenant representatives. Initially the Task Force would meet on a bi-monthly basis to address issues of mutual concern such as reported incidences, shared communications between city police, campus police and building security, other issues of mutual interest.
 - Meetings should be co-chaired by the City Manager and Director of the Department of Housing and Student Life at UWG to ensure recommendations will be implemented.

RECOMMENDATIONS

4. PARTNER WITH UWG AND WEST GEORGIA TECH

- **Encourage UWG to Implement an Off-Campus Housing Service Agreement program with private student housing operators.** UWG has been working on establishing an affiliation with existing off-campus student housing complexes to assure a minimum level of operational and service quality to its potential student residents, while providing a referral network for off-campus housing to its student population. UWG is hopeful to begin implementation of the program in 2016, subject to final administrative approval. As planned, it has several key elements that would help with the coordination of management of off-campus housing:
 - It would be voluntary, so existing and future student housing operators would need to opt-in. The operators would likely find that participation would have significant marketing value.
 - The student housing operators would agree to prioritize renting to students, to separate students from non-students in shared rooms/units.
 - The University would receive an annual modest fee from the operators to offset administration costs.
 - Rental rates are agreed to by the university and owner, and tied to the on-campus housing rates with an annual escalator.
- The operator must provide an on-call staff member in the complex to monitor activity and respond to concerns.
- The operator will work with University Housing and Resident Life staff on emergency management and coordination with student life activities and addressing parental concerns.
- Project management would agree to terminate leases of students who have violated university policies, have behavioral issues, payment issues and enforcement of the University's code of conduct.
- The creation of an affiliation between UWG and the off-campus student complexes should provide an extra layer of administrative oversight and coordination that should improve the environment for students in these facilities and lessen the issues arising from student and non-student cohabitation. We anticipate that the Service Agreement will be adopted by a majority of the off-campus complexes over time due to its many benefits to both parties. This is a very positive approach which should be supported by the city.
- Having the Off-Campus Housing Service agreement in place should be a requirement of future zoning requests for all student housing projects.

RECOMMENDATIONS

4. PARTNER WITH UWG AND WEST GEORGIA TECH

In November 2014 the University System of Georgia (USG) engaged in a competitive bidding process to privatize the development and management of on-campus university housing in nine of its 29 member institutions.

- Under this approach, Corvias Campus Living, the winning bidder, will be responsible for the management of 6,195 existing on-campus housing beds and development of an additional 3,683 additional beds on those campuses.
- Under this approach USG will receive a long term lease agreement with Corvias who will be responsible for managing the on-campus housing as well as financing and constructing the additional contracted on-campus units. The USG was able to transfer its current debt obligations from existing on-campus housing to Corvias, which represents a \$300 million savings to USG.
- The implementation of Phase I of the P3 initiative occurred in 2015 and 2016 with a second round of institutions being proposed for Phase II. While no announcement has been made, UWG housing officials indicated that it was likely that UWG would be included in the next round of the P3 process.
- The future impact to UWG and the City of Carrollton from this initiative on multi-family housing is unspecified at this time but could be substantial. At a minimum, Corvias would be responsible for maintaining the existing 3,100 beds of on-campus housing which should have no market impact. Its greatest impact could be in the expansion of the inventory of on-campus units, which would directly impact the many off-campus private student housing complexes. The UWG Housing Office indicated that they should have additional insights about the local impact of the UWG P3 initiative in the next 12 to 18 months.
- While the USG P3 Initiative has the potential to have a major impact on student and multi-family housing at UWG and Carrollton, we would suggest proceeding with the earlier partnering steps now, rather than wait until the specific effects of the P3 Initiative are known. We believe these recommendations for creating better linkages with off-campus housing require immediate action.

RECOMMENDATIONS

5. ENCOURAGE THE REDEVELOPMENT OF EXISTING MULTI-FAMILY HOUSING

- As shown in the analysis, there is a substantial inventory of older multi-family units in Carrollton. We estimated there are 11 complexes with 1,200+ units that are over 25 years old and would be ideal candidates for redevelopment. We would suggest four approaches to the gradual redevelopment of the city's older multi-family inventory:

1. Increase Existing Density: Provide current owners and/or developers additional density on existing MF sites if redeveloped. Currently most complexes are ten units to the acre. Typically project economics would allow developers to acquire existing low density multifamily sites if they could achieve an overall density of 25-35 units. Current zoning in Carrollton does not permit this level of multi-family density elsewhere in the city, which would make this incentive to redevelop existing projects financially appealing.

2. Property Tax Abatement for Redevelopment: Offer a ten year property tax abatement on the incremental value after redevelopment through a bonds for title agreement. This would allow the current or new owners to

improve the property without seeing their property taxes increase due to the improvement for a period up to ten years. It would help defray the cost of the abatement. The abatement could be 100% of the value of the improvements for five years and gradually decline in 20% increments until full taxes are paid in the 11th year.

3. Site Acquisition/Sale: Have the Carrollton DDA or another similar entity acquire one or more of the existing complexes and offer it at a reduced price for redevelopment. This would require the DDA to generate the funding to pay for the property and be reimbursed from the eventual sale and through future tax payments.

4. Conversion of Market Rate to Senior Housing: Encourage the conversion of older market rate apartments to senior independent living units, possibly church sponsored.

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