

A DISPLACEMENT ANALYSIS of the CODA Master Olympic Development Program for City of Atlanta (Corporation for Olympic Development in Atlanta)

Prepared by Atlanta Olympic Conscience Coalition

The following analysis is the Atlanta Olympic Conscience Coalition's review of the Master Olympic Development Program in the City of Atlanta, prepared by the Corporation for Olympic Development in Atlanta and the city's Department of Planning and Development.

The Atlanta Olympic Conscience Coalition's (AOCC) primary criticism of the plan is that it does not address the estimated displacement of 9,700 low and moderate income residents that may take place if CODA's proposals for demolition and substantial rehabilitation are carried out.

These displacement estimates are derived from analysis of the data collected by CODA in its 13 Olympic neighbourhood surveys. In its surveys, CODA calculates the number of occupied housing units in each neighbourhood. Our analysis takes these calculations one step further by using 1990 Census data specifically the average number of persons per household in each neighbourhood to estimate the number of residents living in the occupied housing units in each neighbourhood. The number of residents is important because it is these people who will be affected directly by any redevelopment plans instituted by CODA. Our projections are conservative because data was unavailable for two of the neighbourhoods Castleberry and Summerhill that are also included in CODA redevelopment plans.

When CODA proposes redevelopment of the 15 Olympic Ring neighbourhoods, what it means is gentrification. Under the CODA plan, thousands of units of existing housing will be either renovated or torn down to make way for new housing that will not be affordable to current residents. Many of these people will be forced to leave if rents are increased due to high renovation costs. Others will lose their homes altogether to the bulldozers. The effect will be to pushing these people further out of the city. With the dearth of affordable housing that exists in Atlanta, many of them become homeless.

If CODA is serious about creating a true redevelopment plan it must guarantee that existing residents of the Olympic-impacted neighbourhoods will not be displaced by any redevelopment plans or will be provided, decent, affordable replacement housing. Secondly, the AOCC is concerned that the individual neighbourhood organizations and/or community development corporations be actively involved in the planning and approval process for all redevelopment projects. CODA must demonstrate conclusively that this process has been honored.

Outlined below are the AOCC's major concerns of the four major activities proposed by CODA's Master Olympic Development Plan:

1) Demolition of existing abandoned/occupied structures:

According to the 13 Neighbourhood Surveys performed by CODA, a total of 248 residential units have been identified as dilapidated and another 305 residential units are classified as severely deteriorated. The CODA plan calls for these 553 buildings to be acquired and demolished because CODA says they pose a clear menace to public health and safety.

There are approximately 1,393 people who still live in these dilapidated or severely deteriorated units, according to 1990 Census data on the average number of persons per household in each of the 13 Olympic Ring neighbourhoods.

In Mechanicsville alone there are 207 dilapidated or severely deteriorated residential units where approximately 518 residents still live. In Peoplestown approximately 195 people live in 60 dilapidated or severely deteriorated residential units, according to CODA's Neighborhood surveys and 1990 Census data.

But CODA makes no mention in its report of any compensation or relocation plans for these people. It can be inferred from the terrible condition of their housing that these residents are the least able to afford to relocate themselves. There is a strong possibility that many of these residents will become homeless if no replacement housing is identified by CODA. A recent report by the National Coalition for the Homeless stated that an extreme scarcity of affordable housing is a leading cause of homelessness. Such issues must be addressed by CODA in its public planning documents.

2) Substantial rehabilitation of existing housing units:

An examination of the 13 individual Neighborhood Surveys performed by CODA reveals that the number of residential housing units both single-family/duplex and multi-family classified as deteriorated is 3,653. Of those units CODA reports that 3,376 units are presently occupied by residents and may require substantial rehabilitation to be paid for by bank financing. CODA defines substantial rehabilitation as any structure or housing unit needing more than an estimated \$20,000 worth of repairs.

AOCC estimates that 8,331 people are at risk for displacement if substantial rehabilitation of these units takes place. This estimate is based on 1990 Census data on the average number of persons per household in each of the 13 Olympic Ring neighbourhoods.

There are two displacement issues connected with any rehab plans. First, substantial rehabilitation, especially for units with \$20,000 in damage, will almost assuredly require occupants to move out of their homes for the duration of the construction. Second, the costs of this rehabilitation will boost the property owner's expenses, especially if bank financing, and the assumption of debt by property owners, is used to pay for the work.

These expenses will be passed on to the tenant in the form of higher rents. Higher rents will cause some low-income tenants to move out. In a 1992 study entitled, *A Place to Call Home: The Crisis of Housing for the Poor*, The Center of Budget and Policy Priorities reported that 59 percent of all poor renter households spend at least 30 percent of their income on rent and utilities, thereby exceeding the amount considered affordable under federal standards.

As the CODA plan stands now, involuntary displacement will occur if rehab is linked to mandatory assumption of debt, with the alternative being condemnation of property for non-code compliance. This is unacceptable.

Many of the smaller rental houses identified as requiring rehabilitation provide a small source of income for aging black senior citizens who have been consistently redlined by banks when they tried to apply for financing to repair their properties. Protection must be provided to these individuals and to owner occupants to prevent their forced assumption of debt in which they are in no financial position to handle.

Olympic Ring neighbourhoods most at danger for this type of displacement include Pittsburgh (484 deteriorated units, 1,215 residents); Ashview Heights (442 deteriorated units, 1,003 residents); English Ave. (555 deteriorated units, 1,265 residents); and Mechanicsville (356 deteriorated units, 894 residents). Taken together these four neighbourhoods represent 1,837 deteriorated units and 4,377 residents at risk of losing their homes.

3) Sustained Housing Code Enforcement

The CODA plan states that a substantial amount of deteriorated housing in the Olympic Ring neighborhoods is owned by absentee landlords. To bring these properties up to compliance, CODA proposes a program of targeted code enforcement that would require property owners to make the necessary repairs. If the owners refuse to make repairs or are unable to be contacted, CODA proposes that the repairs be made at public expense and liens placed on the properties.

CODA publishes no figures detailing how many units could be targeted under a vigorous housing code enforcement program, but the 13 Neighborhood Surveys shows that 5,031 occupied residential housing units in the Olympic neighborhoods are substandard, which could make them eligible for stricter code enforcement. Approximately 12,248 residents live in these substandard units, according to 1990 Census Data.

CODA proposes that many of these substandard structures will require minor improvements that could be accomplished through voluntary assistance and without major financing. The CODA report also states that much of this substandard housing is occupied by elderly residents who cannot do the repair work themselves, but the report does not offer any specifics.

While this strategy will improve housing conditions and make absentee landlords more responsible for their properties, the repairs will increase owners' expenses that will be passed onto the tenants in the form of higher rents. This process will force many low-income residents, especially elderly residents on fixed incomes, to move out. Once again, studies like the one performed by the Center for Budget and Policy Priorities in 1992 on the lack of affordable in Atlanta illustrate that higher rents will cause more poor households to lose their housing.

4) Acquisition of tax-delinquent properties

CODA's Neighborhood Survey lists 2,165 occupied residential structures with tax delinquencies of \$2,350 per parcel, on average. In addition, there are 1,476 vacant land parcels with average tax delinquencies of approximately \$2,000. CODA proposes that the tax delinquent properties be acquired or demolished, made available for rehabilitation or sold to new owners, with preference given to tenants in place.

Even if current residents are given a first option to buy acquired properties, many will not be able to afford the purchase without special financial assistance. For reasons already outlined above, renovations will drive up the cost of housing, forcing many existing tenants to move out in search of cheaper rents. Based on general projections of occupancy and average household size, it is estimated that approximately 4,000 are at risk for displacement through this type of acquisition.

These four activities—demolition of dilapidated and severely deteriorated properties, substantial rehabilitation, sustained housing code enforcement and acquisition of tax delinquent properties affect more than 7,900 residential structures and threaten massive displacement of an estimated 21,900 residents. Seventy-two percent of these people are low-income renters, and therefore, more vulnerable than homeowners to displacement. It would not be surprising if many of these residents had been previously displaced due to similar activities under the earlier urban renewal and model cities programs. The Olympic Development Program, however, does not even acknowledge that its plans will cause displacement, much less assess the number and characteristics of the households susceptible to displacement. The analysis provided in this report was calculated independently to illustrate the potential problems that CODA has failed to address.

CODA must address the displacement issue immediately. Each neighborhood development activity should be analyzed separately for the potential displacement that the activity may cause (including the factors mentioned above). After the potential for displacement has been analyzed, ways to address or eliminate the displacement must be identified.

Except for demolition of hazardous structures, the development plan can otherwise avoid displacement of low-and moderate-income residents. When such displacement in the city occurred in the 1960 s and 1970 s due to urban renewal and model cities activities, many displaced residents obtained replacement housing alternatives on the horizon. In fact, hundreds of those public housing units are in jeopardy. The waiting list for public housing stretches for years and the Atlanta Housing Authority plans to decrease, not increase, its supply of housing in the future.

The severity of Atlanta s homeless population is a matter of public knowledge. In addition to the 15,000 to 20,000 homeless people on any given night, theAtlanta Task Force for the Homeless is forced to turn away approximately 30 percent of those people requesting shelter because of a lack of space.

In conclusion, the Master Olympic Development Program must be held until the massive displacement of low-and moderate-income residents living in the Olympic neighbourhoods is addressed. This is an issue that should have been resolved by CODA, the City and their planning staff long before the Master Olympic Development Program was completed.