BROKEN FROM THE START:

An Analysis of Atlanta's Tax Allocation Districts and Their Impacts on Communities of Color

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We also give special recognition to **William Smith** and our team of proficient researchers who lent their expertise in design and exploration of this topic.

Partnership for Southern Equity
TOGETHER WE PROSPER

The Partnership for Southern Equity (PSE) is a nonprofit organization that advances policies and institutional actions that promote racial equity and shared prosperity for all in the growth of metropolitan Atlanta and the American South. Through forums, research, and organizing efforts, PSE brings together the regional community to lift up and encourage just, sustainable, and civic practices for balanced growth and opportunity.

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About the Partnership for Southern Equity

Founded in 2009, the Partnership for Southern Equity (PSE) has advanced policies and institutional actions that promote racial equity and shared prosperity for all in the growth of the American South. Since its inception, PSE has been on the frontlines of change, fighting for reforms that not only improve conditions of racial inequity in the metro Atlanta region and the American South, but unravel the structural elements that created those inequities. We have worked alongside many partners, contending with the realization that while race and racism are social constructs, they are deeply embedded in every institution that governs our lives and shapes our communities.

PSE operates as a “command central” for a new Southern equity movement and leverages research, grantmaking, technical assistance, capacity building, and community organizing to uplift racial equity as the superior growth model for our region. The organization strives to bring equitable balance to the social, political, and economic systems which have long been employed to maintain an imbalance of power, opportunity, and quality of life for historically disinvested communities of color. To achieve these outcomes, we work to build an equity ecosystem. PSE’s work supports intersectional systems reforms across its four portfolio areas; Just Energy (energy equity); Just Opportunity (economic inclusion); Just Growth (equitable development); and Just Health (health equity).

As an Atlanta-based organization delivering regional impact, PSE is uniquely positioned to address the South’s equity issues. We envision a South where racial equity is the approach, rather than a concession. Our work in more than 100 communities in Atlanta, Coastal Georgia, and across the Southeast region has helped transform the lives of over 20,000 people through advocacy, training, and direct service.

As a values-based organization, we aim to ensure that all our engagements are values aligned with our guiding principles:

PSE’s Principles for Shared Prosperities are:

- Development must happen with people, not to people
- Public and private investments should produce outcomes for “people, planet, and profit”
- Equitable growth is the superior growth model
- Building individual and collective capacity can enable communities to lead and own change efforts

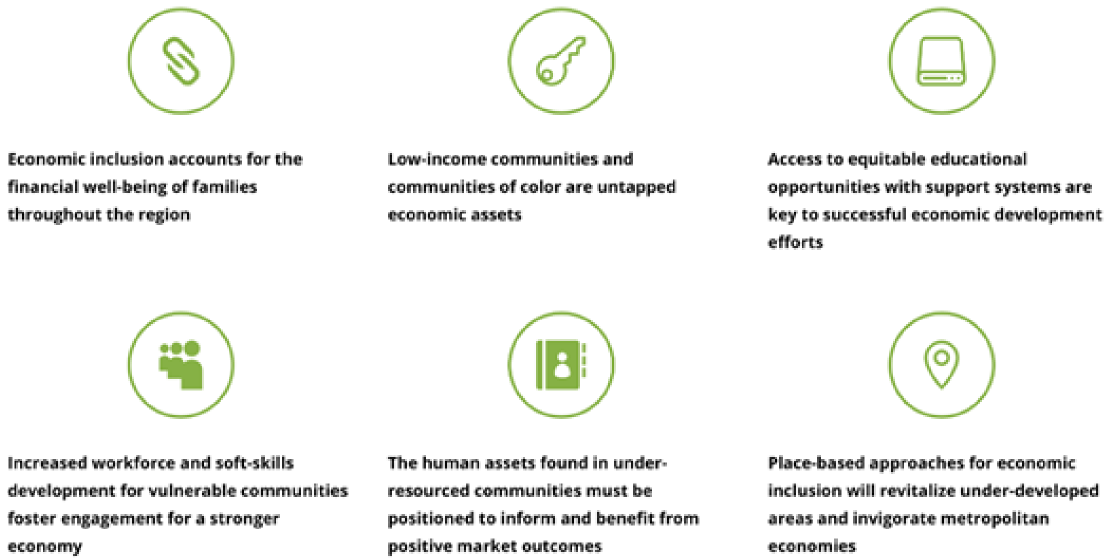
Additionally, our community organization work is driven by the beliefs that:

1. Vulnerable residents directly impacted by inequitable policies must be empowered to engage in decision-making at the beginning, middle, and end of a process.
2. It is essential to create engagement opportunities that shape how the residents’ public policies and practices will be influenced/changed by the wisdom provided by leaders of vulnerable populations.
3. Due to vigorous engagement, new leaders, civic infrastructure, and policy innovations that support better outcomes throughout the South can be realized.

The Just Opportunity Portfolio (JO) at PSE is focused on shifting the region’s approach to economic growth, to center on our vast racial disparities. There is increasing urgency and momentum for us to re-examine traditional economic development strategies which rely on transactional relationships between public and private institutions at the expense of community. Over the last decade, Atlanta gentrified faster than any other American city and has held the nation’s highest rate of income inequality for several years. To address these challenges and other disparities related to economic opportunity and the racial wealth gap, JO targets three primary audiences—the public sector, private sector, and historically disinvested communities of color.

Guided by PSE's Principles of Shared Prosperity and the Just Opportunity Circles Principles of Economic Inclusion (Figure 1), we intend to foster stronger relationships between actors in pursuit of the "equity ecosystem" to achieve new values and new systems that embed racial equity at its core. Lastly, by building critical-awareness understanding of the drivers of racial economic disparities, we can cultivate grassroots leadership that can help steer these three key sectors toward equity-centered strategies.

Figure 1: Principles of Economic Inclusion



Executive Summary

Property taxes are collected by state and local governments to support communities through the provision of necessary services and public goods. Everything from local law enforcement to local schools is supported through property tax payments to help ensure necessary quality services are equitably provided to local communities. However, these dollars can be used for more than community services, as property tax abatements have become a popular tool used by elected officials and practitioners to promote community revitalization, particularly in low-wealth neighborhoods, by private developers.

Property tax abatements (including, for these purposes, exemptions, and reductions) are defined by ***Good Jobs First*** as a type of subsidy that lowers the cost of owning real and business personal property by reducing or eliminating the taxes a company pays on it. When a company receives a property tax exemption, it pays no taxes at all for the length of the deal. When a company receives a property tax abatement, its taxes are abated (reduced) by a certain percentage for however long the deal lasts. (Good Jobs First). In Fulton County this process is facilitated by its two major economic development authorities, Invest Atlanta, and the Development Authority of Fulton County (DAFC).

While the practice sounds beneficial, there has been ongoing debate on the utility of property tax incentives to spur private development. Supporters see it as a creative use of government resources to fight blight and attract additional investment. Those in opposition believe that the opportunity cost of foregone tax revenue is too steep and emblematic of the way private businesses and corporate interests have been prioritized over resident needs.

For the purposes of this analysis, PSE's concern is around how the use of this tool has contributed to, and exacerbates socioeconomic disparities and gentrification, leading to poor communities to subsidize their own displacement. To explore this impact, PSE examined Census Block Groups and Tax Allocation Districts (TADs) within Fulton County (GA) between 2016–2021 to explore what impact these abatements have had on local communities within the City of Atlanta.

This research included multiple facets. First, the research asks whether the abatement met its primary goal of increasing property values. Subsequently, PSE investigated the impact that the TADs had across Fulton County to answer the question of whether they caused "harm" (defined as the lack of change in the overall environment measured against the cost of the incentive and opportunity cost) to impacted communities. To round out the analysis, PSE analyzed demographic changes that correspond with investments to determine how this tool contributed to gentrification and displacement of legacy residents. PSE also engaged with some strategic community stakeholders, including local advocacy organizations, parent groups, and educators to gauge how their communities have been impacted, positively or negatively, by using TADs for community development.

Findings and Recommendations

The purpose of this study was to explore whether property tax incentives were effective in meeting their goal of increasing community property value and spurring investment. Additionally, we were particularly concerned about whether they contributed to improved outcomes (or mitigated harm) for impacted diverse and low-wealth resident populations.

Research Findings

1. Over the five-year study period, we determined that, despite the presence of multiple TADs, only 19 Block Groups across Fulton County had significant property value variability and several of these fell outside of the designed TAD areas.
2. Of economic development tools, only Tax Allocation Districts were explicitly designed to make dynamic changes in the environment, specifically to increase property tax values. Then, other variables were identified, such as race and income.
3. In examining each Census Block Group, it was determined that housing, mixed-use developments, large scale commercial and commercial infrastructure projects were primarily responsible for the property value variability in each outlier Block Group. Similarly, we found that the only TAD with any correlation with an outlier Block Group was the **Atlanta BeltLine TAD**.

4. In answering the question of harm, we concluded that TADs across Fulton County harmed minority communities in two ways. First, these property tax incentives did not demonstrate the significant impact for which they were designed (increases in property tax values.) This investment has an opportunity cost against foregone uses of property tax revenue. Similarly, increased property values that correlated his significant change in community demographics could be seen as harmful for legacy residents.
5. Redevelopment efforts in low-wealth communities led to significant demographic shifts, particularly related to racial demographics and median income.
6. Increases in property tax values place pressure on low-wealth and legacy residents which increases the odds of displacement.
7. TADs are most impactful under specific and limited guidelines that define the specific intent, uses, scope, and length. Once TADs deviate from these guidelines, their existence lacks impact and harms low wealth neighborhoods that depend on other government institutions to support community growth, services, and equitable economic opportunities.
8. One of the most extensive harms derived from TADs is associated with foregone property tax revenue that is collected for schools and other public services.
9. Many TADs in the City of Atlanta (eight of the ten) remain open for funding, several of which no longer need the tool to attract investment, leading to additional losses.
10. Redevelopment efforts produce cultural tension between legacy residents and new residents. Communities that were intentionally segregated and left to periods of prolonged disinvestment are now losing their history and culture through gentrification.
11. While TADs are designed to revitalize low-income areas, communities that lack necessary commercial activity to fund the TAD are left without the ability to draw resources to fund redevelopment efforts.
12. Many neighborhood redevelopment plans which guide TAD utilization are significantly outdated, with many being over twenty years old and several others nearing that mark. Updates to the neighborhood redevelopment plans should be done on a periodic and ongoing basis to ensure that community voice, assets, and resources and coordinated to support economic mobility.
13. Data regarding total investments and projects in each TAD was extremely difficult to obtain. As this process is not very transparent, more data tools, reporting, and innovation should be explored to increase transparency around the TAD process, intended outcomes, and active/proposed projects receiving TAD funding.

Recommendations for Policymakers

To address the challenges brought on by this tool and practice, PSE would recommend the following:

1. Discontinuation or Refinement of TAD for Urban Redevelopment

This analysis has shown TADs are both ineffective at meeting their intended technical purpose of driving commercial activity to raise property values, and are, at worst, a driver of displacement of legacy residents and low-wealth communities of color. Furthermore, the City of Atlanta TAD process, which has taken half a billion dollars from the Atlanta Public School system alone, has been shown to be problematically extractive. Resources designed to support local students and disrupt the cycle of poverty to incentivize private development has not translated into jobs and opportunities for the city's residents

While we recognize it is highly unlikely and not politically expedient, PSE recommends discontinuation of the use of TADs as a tool for community redevelopment. Additionally, further guidelines are needed to promote the utility of TADs and other tax incentives, including restrictions around what types of projects/entities should qualify for TAD funds Projects owned by non-profit organizations should also not receive TAD funding, since non-profits do not pay property taxes. It also opens the city up to misuse of funds outside of examples where the development produces a clear, equitable public good (i.e. a nonprofit housing developer controlling against property tax disruption for low-wealth residents.)

2. Recommendation 2: Closure of TADs

As the intention of TAD is to catalyze commercial investment, areas where commercial investment is happening independent of the TAD are not in need of the tool. As so, PSE recommends closure of TADs in areas that have shown the ability to attract investment independent of the TAD, as keeping the TAD to remain open only further robs communities of needed resources for equitable growth.

Past efforts have been made to close some TADs with debate on both sides around its utility. However, as this analysis has clearly demonstrated, the stated equity benefits of TADs have potentially been overstated by suporters.

3. **Recommendation 3: TADs need specific and equitable goals and objectives**

In communities where it may not be politically feasible to discontinue the practice of using TADs, the process should be completely revamped to support transparency, equity, and efficiency. Analysis showed that when development is focused, with specific projects, goals and objectives, and the TADs are narrow in scope and size, they can be successful. Conversely, when TADs do not adhere to these conditions, they are simply a drain on neighborhood resources.

Project considerations should include TAD projects being specific to a development priority with size restrictions. Equity considerations for these projects should include provisions for affordable housing, minority business and workforce participation, infrastructure investments, and protection of greenspace. The upcoming Centennial Yards development includes some of these provisions and will be an interesting study on the impact of equity considerations in the development and operation of the site.

4. **Recommendation 4: TAD Projects Should Cross Neighborhood Boundaries**

As currently designed, a designation of a blighted area is necessary to trigger the TAD process. However, in restricting this development to low-income areas, there is a natural disincentive in creating enough commercial activity to adequately fund the TAD, placing the greatest pressure on legacy residents who are often without commercial infrastructure to drive development. We believe TADs should be drawn/redrawn to cross existing neighborhood boundaries to exist in both wealthy neighborhoods and poor neighborhoods.

Without necessary increases in commercial activity, the TAD would be left without the necessary commercial activity to fund successful redevelopment efforts (such as Campbellton Road TAD). By drawing TAD boundaries across neighborhood boundaries, it creates a mixed income resident/commercial base that allows higher income residents with more commercial assets to support the development of under sourced areas. For example, the affluence of Grant Park could be included in the Stadium TAD to support revitalization efforts in Summerhill, Peoplestown, and surrounding communities.

5. **Recommendation 5: Use of TAD Funds to Support Affordable Housing**

As displacement is often a function of the rising costs of property taxes, in its reimagining of the TAD process, the City of Atlanta should consider using a portion of TAD funds to finance an affordable housing grant pool that could pay the differences in property tax increases for impacted residents. This would permit residents the opportunity to age in place and benefit from the positive changes that can occur from community redevelopment. This would also be in alignment with the City of Atlanta's One Atlanta Housing Affordability Action Plan commissioned by former Mayor Keisha Lance Bottoms.[1] In this plan, there was a recommendation made to explore the expansion of property tax programs for the creation and preservation of affordable housing to minimize displacement.

The City should explore the use of an ongoing compliance review process and maintain authority to initiate claw backs to retrieve property tax revenues for noncompliant developers or private partners. In practice, if a developer partner failed to meet the pre-established equity metrics for the development upon annual compliance review (such as adherence to a CBA or creation of the number of projected/promised jobs), the City would maintain authority to retrieve a portion of foregone property tax revenue. The City and the administration of Mayor Andre Dickens should be commended for already implementing this approach, with the excess funds from the Eastside TAD currently being used to support the affordable housing development at 2 Peachtree.

Additionally, PSE would also recommend that funding be directed to grant programming for low-wealth residents that would finance necessary improvements for homeowners (including those that would increase energy efficiency and weatherization) and insulate renter populations by preparing for and protecting long term home affordability.

[1] https://www.atlantaga.gov/home/showpublisheddocument/42220/636954406698800000

6. **Recommendation 6: Compliance Reviews Property Tax Claw Backs**

Additionally, PSE would also recommend that funding be directed to grant programming for low-wealth residents that would finance necessary improvements for homeowners (including those that would increase energy efficiency and weatherization) and insulate renter populations by preparing for and protecting long term home affordability.

7. **Recommendation 7: Increase Community Voice**

Many economic development negotiations are done under the guise of confidentiality, outside of the public gaze. As such, it presents a significant challenge to residents and organizational partners alike, in being able to advocate effectively, identify concerns, and promote accountability through access to up-to-date data and reporting on the economic impacts of current investments. In completing this analysis, the PSE team was required to comb through years of meeting notes from city council, development authorities, FOIA requests, and pull records from the state courts to identify investments made through property tax incentives.

It is unreasonable to expect resident leaders to undertake this level of effort to identify trends in neighborhood development. As these property tax incentives have a direct impact on residents, local governments should seek to more proactively promote trust and partnership with resident leaders in a way where they can opine on the types of development decisions they need and build consensus on the use of property tax abatements in their communities. This could resemble active dashboards that illustrate active projects in the TAD, current TAD investments, or allow residents the opportunity to vote on proposed projects. There are opportunities for the use of technology and innovation to promote trust through new tools like Decentralized Autonomous Organizations (DAOs) which use blockchain technology to establish residential address/home occupancy, create voting blocs within the TAD, solicit project proposals, and allow for reporting on investment into the TAD all with open source data reporting.[2]

Additionally, proactive communication should be done beyond the NPU system to inform residents of what the opportunity costs of these investments may mean. Further opportunities for resident leadership should also be explored, including sitting on City Council committee meetings, participation in the Invest Atlanta TAD committee and the NPU TAD advisory committee. Other opportunities are uplifted below under the recommendations for resident leaders.

8. **Recommendation 8: Support for Community Benefits**

To ensure that residents receive direct benefit from the use of tax incentives for private development, state and local government and quasi government entities (including economic development authorities) should explore the use of Community Benefits Agreements to facilitate connection and negotiation between residents and developers to meet communal needs. This process should be legitimized through policy and integrated into periodic updates for the TAD redevelopment plans. To ensure CBAs (Community Benefits Agreements) are adhered to, they should be made material to the contractual terms between the city, on behalf of the impacted residents, and the developer. Currently, community benefits are assigned in a more ad-hoc manner and not consistently applied across all TADs.

9. **Recommendation 9: Preliminary Study of Economic Impacts**

Prior to continuing the practice of property tax incentives, state elected officials should convene a working group of local community leaders and elected officials.to study the economic impact of past TAD investments and other tax incentive tools. Namely, the state should quantify the actual opportunity cost of this practice to understand the future impact of foregone tax revenue on community wellness and stabilization beyond measuring value in potential jobs and revenue created. Furthermore, the working group should be provided a vote in the selection and investment process.

[2] https://ethereum.org/en/dao/

10. **Recommendation 10: School Funding**

    As quality education is a key driver to community wellness and economic mobility, a portion of all property tax incentives should be sheltered to support local schools and APS family stability. Given APS status as one of the largest landowning institutions in the city, better alignment between TAD funds and publicly owned property could create a pathway to more permanent affordable housing or necessary wrapround services for APS families.

11. **Recommendation 11: Stakeholder Education**

    Economic development tools offer significant opportunities but also can create undue hardship on communities if not responsibly administered. It was stated during our community engagement sessions that some resident leaders who sat on their NPU TAD committee, did not fully understand the TAD process, stating that they thought the development was paid for by commercial developers and not from property tax revenue. Proactive education should be provided to local elected officials and resident leaders on the implications of these tools and their potential impact on the community. Namely, those with voting interest on these tools should participate in more specific, extensive training on their role in the TAD and economic development process to avoid appropriating inequitable practices.

12. **Recommendation 12: Update of TAD Redevelopment Plans**

    As previously noted, most of the TAD Redevelopment plans are quite dated, with most of them approaching twenty years old, or older. As we live in a dynamic and rapidly changing economic landscape, these plans need to be updated to best align community voice, community needs, and types of projects and investments each TAD is looking to produce. The city should engage in a comprehensive update of TAD Redevelopment Plans for each TAD that will remain in operation, using an equitable, community centered, and asset-based approach to guide the process. Plans should subsequently be updated no later than every ten years.

Recommendations for Resident Leaders

Give Yourself Grace

First, give yourself grace and understand that it is ok to not know the answers to every question. Also know that no one person holds a monopoly on knowledge and that your wisdom and lived experience is just as legitimate as any technical skills.

Even if you don't have all the words or know the right questions to ask. Showing up, having presence, and creating space to continue to learn will be key in your advocacy journey.

Tell Your Story, Your Way

Advocacy is simply sharing your opinion on an issue with someone who can help bring systematic, lasting change. One of the most impactful pieces of advocacy is simply telling your story, your way. It doesn't have to be public speaking or before city council, and you don't have to always have the right words or say it perfectly. But when you can communicate your thoughts, feelings, and show people your reality and how this issue is affecting you, you will win allies. If you are uncomfortable with public speaking, some other methods of storytelling include:

- Using photographs to show, rather than trying to tell your impact with words
- Podcasting and storytelling in informal settings
- Writing (op-eds, think pieces, or letters to your local newspaper).

It might also be helpful to schedule a one-on-one sit down with your local representative simply to share your story, off the record, about how an issue is impacting you as well. Included below are resources from our allies at Prosperity Now that are designed to aid in connecting with your local elected official:

- Tips for Calling Your Legislator
- Tips for Writing Your Legislator

Identify Allies

PSE believes that power is exercised through three methods; **Organized People**, **Organized Data**, and **Organized Money**. By building a **Power Map**, you can identify potential allies and use your story to connect with people who can either share or support your cause.

A strong coalition also has both horizontal (peer) and vertical (institutional) supports, so identifying institutional partners (or those within institutions who are willing to provide guidance and support) is key. Atlanta is home to several great advocacy organizations who are both innovating for change and seeking to place proper external pressure on our institutions to engage in more equitable practice. Their work involves significant opportunities for resident voice and leadership, so be sure to identify a local organization who you are values aligned with, to help you move your issue.

Additionally, residents are encouraged to deep dive into tools like **PSE's Metro Atlanta Racial Equity Atlas (MAREA)** to gather additional data around neighborhood trends to build a data driven case for the change they desire to see.

Identify Opportunities for Resident Leadership

As mentioned in Recommendation 10 above, there are several opportunities for resident leadership and service across the City of Atlanta economic development landscape. In addition to your local NPU, where discussions are held about these projects through their TAD committees, opportunities also exist within the City of Atlanta, through various Public Meetings, Boards and Commissions. A list of these commissions is as follows:

- **Tree Conservation Committee:** a citizen board, appointed by the Mayor and City Council Members of the City of Atlanta to assist in the protection, maintenance, and regeneration of the trees and other forest resources of Atlanta.
- **Atlanta Planning Advisory Board (APAB):** a representative Board of citizens made up of every Neighborhood Planning Unit district of Atlanta.
- **Urban Design Commission:** comprised of 11 city residents, each with a required professional background and are appointed by the Mayor and the City Council.
- **Board of Zoning:** Board of Zoning Adjustment is a quasi-judicial board of five appointed members that hears applications for variances and special exceptions from the zoning ordinance, as well as appeals of administrative decisions.
- **Zoning Review Board:** Zoning Review Board consists of nine members, appointed by the Mayor and City Council, who meet twice a month to consider property rezonings and special use permits.
- **Concept Review Committee (CRC):** The Concept Review Committee (CRC) is a pre-submission meeting program. It serves as an opportunity for customers to meet with representatives from the City's plan review agencies at the forefront of the project design stage to refine plans and scope in an open and organized format.
- **Housing Commission:** The City of Atlanta Housing Commission is an independent body created by the Atlanta City Council to provide recommendations to the Mayor and City Council on housing policies, procedures, practices, and financing. The Commission meets on the second Monday of each month.

As decisions involving public assets facilitated by local government must be made public, residents are open to participate in the Invest Atlanta Tax Allocation District Project and Policy Review Committee and Economic Development committee meetings, held on the second Thursday of each month at 2 pm and 3:30 p.m., respectively, in the Invest Atlanta offices. You can also access board meeting notes and documents at your leisure.

Also included is a link to your NPU contact directory, which identifies your local representative, NPU Chair, and other points of contact. Some questions you may want to consider asking are also included below:

- How will this project prevent displacement of long term (legacy) residents?
- Where can I put my thoughts on this issue on the record?
- What projects in my community are receiving tax incentives and how can residents follow the collection and utilization of TAD funds?
- Why has APS not been more vocal about affordable housing and economic development, specifically in communities south of Interstate 20?
- What improvements can my community anticipate from this TAD investment?
- How has APS benefitted from their TAD investments?
- How much affordable housing has our TAD investments been able to create?
- Will this project contain a requirement for minority business or workforce participation?

Introduction

Within the culture of economic development, low-wealth communities and communities of color are commonly negatively impacted by the cycle of development. Housing segregation and wealth access have gone hand in hand throughout the history of America, where public policy has been used to concentrate poverty in Black neighborhoods and restrict opportunities for wealth creation. Beginning with the first racially restrictive zoning classifications in the aftermath of reconstruction, zoning designations were created by cities to restrict the movement of Black residents. Despite the Supreme Court's 1917 decision in *Buchanan v. Warley*, which outlawed explicit racially motivated zoning based on property rights (and not equal rights), the courts continued to uphold exclusionary zoning, segregated public housing, and redlining to force Black communities to occupy the least desirable communities.[3]

In the aftermath of World War II, the emergence of the outer-ring suburbs led to ***"white flight,"*** (the action of whites moving out of areas with significant minority populations for areas with significantly less minority populations) which created a new type of suburban development. Backed by government subsidies, the American highway system gave way to suburban housing and infrastructure. Highways divided Black neighborhoods, such Atlanta's Sweet Auburn community and the Old Fourth Ward. Meanwhile, housing discrimination restricted Black veterans from accessing suburban homes through the GI bill. Similarly, Black families faced restriction from lenders and the Federal Housing Administration, which stated:

> *"If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally contributes to instability and a decline in values."*[4]

As Black families were left in urban centers, a period of wealth extraction and prevention fueled by prolonged disinvestment began. Some argued that what occurred was a function of "free-market" capitalism, failing to acknowledge how white privilege and racial bias played a critical role in dictating the flow of capital. Mehrsa Baradaran noted these market failures where she describes how at the height of white flight, white families would sell their homes below market price to another white family just to avoid selling their homes to qualified Black prospective homeowners.[5] Similar phenomenon occurred in the commercial markets. As industries pulled out of urban corridors, in their wake there were sharp increases in unemployment, crime and other negative social indicators, leading to greater police presence, police unrest, and in many cities, riots. This gave way to deteriorating conditions and urban blight, which in return suppressed the value of their homes, taxes, and opportunities. Depressed property values and a limited tax base effectively robbed low-wealth communities of resources needed to disrupt the cycle of poverty (such as quality local schools).

The inverse occurred in the newly developed majority white suburbs, where communities (many of whom were procured through government assistance and buoyed by private investment) saw their value and wealth grow. This new wealth became the foundation of the American middle class, which used the value in their land and assets to secure the American dream. Residents opened businesses, and local property taxes produced high quality educational experiences for their children.

In the late 1900s, federal "urban renewal" programs sought to address perceived moral failures of inner-city Black residents, and the practice of "slum-clearing" began (discussed more below). The following decades saw the emergence of predatory lending (after lending discrimination was outlawed) and the new trend in urban redevelopment, which we continue to see today: gentrification leading to displacement.

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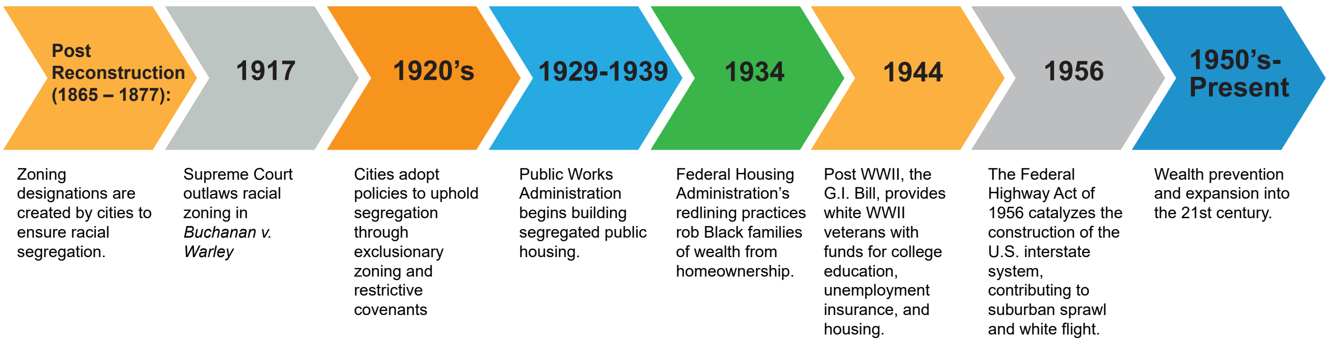
[3] Buchanan v. Warley, 245 U.S. 60 (1917)

[4] –Excerpted from the 1947 FHA underwriting manual

[5] Baradaran, Mehrsa. The Color of Money: Black Banks and the Racial Wealth Gap. The Belknap Press of Harvard University Press, 2019.

Figure 2: History of Discrimination in Housing Development



Despite passage of the Fair Housing Act and the end of Jim Crow, designed to end housing discrimination, place-based segregation, and the concentrating of poverty in Black communities continues through the cycle of development. Subsequently, the 1980s began to see a renaissance of the city center which continues to this day. This movement saw families and industries that once fled urban neighborhoods beginning to return downtown, seeing blighted commercial corridors and underinvested communities as economic opportunities. of predatory lending (after lending discrimination was outlawed) and the new trend in urban redevelopment, which we continue to see today: gentrification leading to displacement.

The general lack of commercial activity in these communities represents a market failure. However, the philosophy in practice is that these inequities could be mitigated through increased commercial activity. As such, the urban regeneration movement gave way to the use of government incentives to promote private commercial development with the expectation it would attract needed jobs and investment. activity. However, history has shown us that commercial activity without economic inclusion only leads to a greater economic burden on residents, often of which results in displacement. To that effect, this research will analyze the use of property tax incentives and ask the question of whether this tool is effective in meeting its technical purpose while analyzing its impact on migration patterns in Fulton County.

This analysis will explore[6], the research will show the intent behind their use to help determine whether they are appropriate tools for attracting investment.

In sum, this white paper seeks to explore the ways the movement for urban regeneration has utilized public policy, public finance, and economic development tools to promote redevelopment and displacement of low-wealth communities of color. Contained within this analysis will be an exploration of the relationship between the property tax system, regressive tax structures, and community resource allocation. While data can be used to illustrate there are connections between race, economic development practices, race, and low to moderate wealth communities, this analysis will center on resident voice and the power of narrative to understand whether how this practice has impacted residents.

[6] Dye, Richard F., et al. “Tax Increment Financing and the Great Recession: National Tax Journal: Vol 67, No 3.” National Tax Journal, 1 Sept. 2014, https://www.journals.uchicago.edu/doi/abs/10.17310/ntj.2014.3.08.

Project Narrative

Property Taxes and Their Impact

In the fall of 1968, the Scotts arrived in Southwest Atlanta. In the years prior, Ivan Allen Jr built a wall. That wall, not so much an impassable fortress, was a political statement about race and desegregation in Atlanta. It was meant to deter the racial mixing of residential living. The white residents of Peyton Forest were nervous that their way of life was nearing an end and enlisted all the political muscle available to ensure desegregation would end on Peyton Road.

The Scotts came anyway. They were an upper middle-class family by any metric of the day. Mr. Scott was the owner of a commercial cleaning business while Mrs. Scott was an expert tailor. They accounted for one son, who would later find himself one of the first Black students to attend the esteemed Woodward Academy.

For their fortunes, they were met with terrorism. As white families began to grapple with their new neighbors, they responded with microaggressions and threats. First, came the insults. Insults gave way to bombs being placed in their mailbox. Finally, the parts of the Utoy Creek which intermittently flowed into small ponds throughout Southwest Atlanta were constricted to the point of damning to flood them out of their new home. The impact so expansive that it killed the bountiful fish which called the creek home. The message was loud and clear, they would destroy the community before letting it fall into Black hands.

Time has a way of dulling slights but never washing away the scar. As the years progressed, the Scotts did as most families do, they raised their child. He eventually went off to war and returned. Their success continued as they owned commercial buildings across the community and eventually sold them all. As time does, it eventually catches up to us all. Mr. Scott passed away a few years ago, leaving Mrs. Scott, now in her 80s, to face a new type of racial terror that felt all too familiar. This time, instead of destroying mailboxes and ponds, it destroys cultures. The intent, nonetheless, was the same. To displace her from the community she calls home.

If desegregation is domestic globalization, then gentrification is equivalent to global imperialism, where first world countries invade and destroy the culture and economy of third world nations in the sake of expansion. The oldest and most reliable forms of terrorism have always been economic. Black communities have been subjected to these plights for what seems like forever, as they have been perpetually subject to the ebbs and flows of economic growth and progress followed by those gains being completely decimated.

For Mrs. Scott and others like her, instead of sanctions, it comes under the guise of new development and is weaponized in the form of property taxes. This convoluted and thoroughly confusing process places a value and generates a bill on property which people like Mrs. Scott have worked their entire life to pay for. These increases are often steep and leave many to wonder if they will be able to hold on to their life's investment, and if so, for how long. The only path presented for anyone is a web of bureaucracy designed to use complexity and inaction to outlast even the most determined advocates.

This statement is not intended to dispute whether property taxes are needed. Property taxes are critical for local governments financing and support for communities. Property taxes are taxes incurred on "real property" (inclusive of residential and commercial land and buildings) or personal property (including business equipment, inventories, and noncommercial motor vehicles). They serve as the lynchpin to both local government and community services and create demand for investment and development. These taxes paid to local governments provide critical services designed to promote quality of life, and disrupt the cycle of poverty, like schools and social services. These dollars also support public safety (such as police, 9-1-1 operators, and firefighters) and pay for routine maintenance that ensures public safety on the roads (such as streetlight installation and traffic light repairs.) While property tax rates vary from community to community, 2019 analysis by the Urban Institute and Brookings Institute Tax Policy Center, found that 16.8% of Georgia's total state revenue was collected from property taxes. This is in line with the national average of 17% but the third highest of all Southern states.[7] [8]

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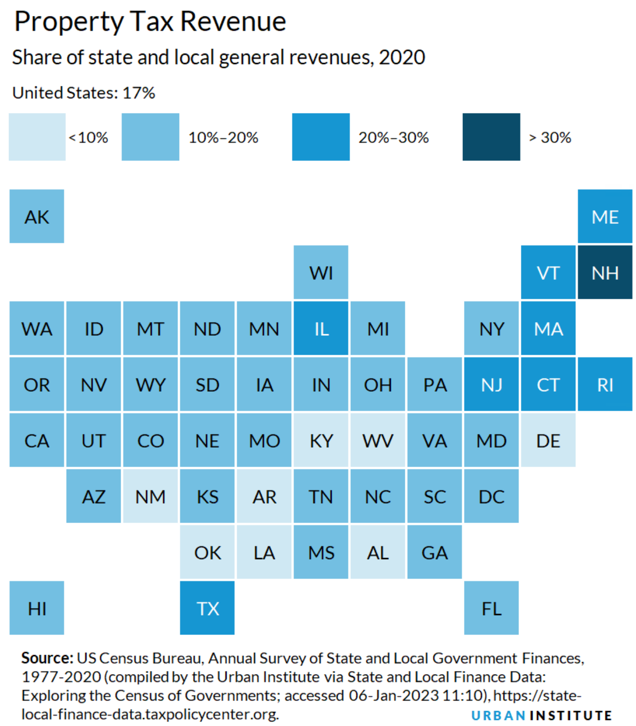
[7] https://www.taxpolicycenter.org/statistics/state-and-local-general-revenue-percentage-distribution.

[8] Southern states include Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia

Figure 3: Property Tax Revenue as a Share of State and Local General Revenues



Furthermore, Georgia's current property tax structure is considered Regressive, meaning it invariably has a greater impact on low-wealth communities. Unlike income taxes, which are levied proportionate to household and individual income, property taxes are equally distributed across all community members, regardless of the value of their home or other assets. Studies have shown that communities of color pay more in property taxes as a percentage of their household income and market value than their White counterparts.

About Tax Incentive Tools

Property tax incentives are offered to serve four essential functions[9]:

- To correct a market failure,
- To uplift blighted areas,
- To provide a competitive advantage during bidding wars, and
- To shift intergovernmental revenue.

Tax Allocation Districts (TADs), also known as ***Tax Increment Financing (TIFs)***, are economic development tools, designed to remediate underdeveloped areas. This financing tool is often used by local governments to support and promote eligible public and private redevelopment by spurring increases in property tax values and property tax revenue, which are generated primarily from new investment in the district. This revenue is then allocated to pay infrastructure costs or certain private development costs within the TAD area. TADs can be used for a variety of purposes, including construction, renovation, and demolition of buildings for commercial, industrial, and government use; Education, housing, social activity, governmental services; historic preservation; green spaces; transit-oriented development; telecommunications infrastructure; water and sewer lines; streets; sidewalks; parking facilities; and land assembly.

This tool was formed with the intent and purpose of fighting urban blight and support redevelopment. As a place-based tool, its use is contingent on the presence of several factors. "To qualify for TIF (TAD) designation, an area usually must meet a state statutory definition of 'blighted' status'. The checklist of qualifications for blighted status is a carryover from earlier federal or state grant programs for local economic development." In Georgia, this authority is granted by the **Georgia Redevelopment Powers Law**, which contains many descriptors of the experience endured by low-wealth communities of color. Through this lens, blight (and residents) can be perceived as a drag on resources that suppresses the overall quality and growth of the community. These incentives are facilitated in Fulton County by its two major economic development authorities, **Invest Atlanta**, and the **Development Authority of Fulton County (DAFC)** and must be voted on by local elected officials.

Before a TAD is established, a city or county must select a redevelopment area, and a local government must adopt a resolution determining that the redevelopment area qualifies as a "slum" (based on the established criteria).[10] The process of establishing a redevelopment area, and thereby a TAD, acknowledges blighted conditions stemming from a cyclical lack of investment and in some places, attributes this issue to moral failure.

Whereas **Lease Purchase Bonds (LPBs)** involve properties or projects exclusively, TADs involve entire community areas and broad geographies. Within a TAD, governments may create a threshold on taxes for all three government entities for a specific amount of time. During that time everything above the established threshold is diverted into another account used by the local development authority for strategic investment. The defined areas can be large or small, so long as they do not violate state law. Each eligible property in the designated area contributes to the TAD account. Other areas may encompass neighborhoods or entire corridors.

TADs are designed to be blight busters because the most critical condition for establishing a TAD is blight determination. The state of blight being a solid determinate of forming a TAD makes TADs perfect for further analysis. This analysis is multi-faceted and intended to answer two overarching research questions.

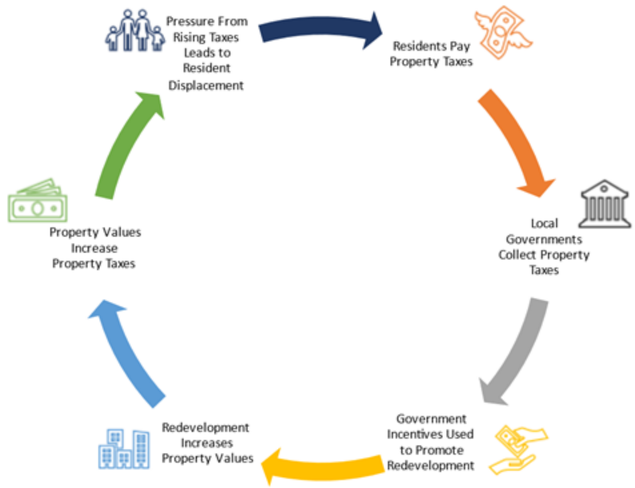
1. Are TADs useful in meeting their primary goal of increasing property values?
2. What is the impact that the TADs have had across Fulton County and does that impact constitute causing "harm" (defined as the lack of change in the overall environment measured against the cost of the incentive and opportunity cost) to impacted communities.

To round out the analysis, PSE analyzed demographic changes that correspond with investments to determine how this tool contributed to gentrification and displacement of legacy residents. The project team also engaged with several strategic community stakeholders, including local advocacy organizations, parent groups, and educators to gauge how their communities have been impacted, positively or negatively, by using TADs for community development.

[9] Dye, Richard F., et al. "Tax Increment Financing and the Great Recession: National Tax Journal: Vol 67, No 3." National Tax Journal, 1 Sept. 2014, https://www.journals.uchicago.edu/doi/abs/10.17310/ntj.2014.3.08

[10] "2020 Georgia Code:: Title 36 - Local Government :: Chapter 44 - Redevelopment Powers :: § 36-44-3. Definitions." Justia Law, https://law.justia.com/codes/georgia/2020/title-36/chapter-44/section-36-44-3/.

Figure 4: Cycle of Resident Impact



Systemic Inequities, Lost Wealth, and Displacement Occur

Inequities in the property tax system represent a market failure for low-wealth communities of color that is further exacerbated by inequitable practice. Similarly, research has shown how governments systemically assess property can negatively impact low-wealth communities of color. Research shows governments consistently assess minority homes at higher values than their actual market value.[11] This occurs because of how the appraisal process varies for local governments versus private citizens.

The correlation between homeownership and its positive impacts on family stability and wealth for low-income residents and residents of color has been studied in detail.[12] Homeownership is a critical piece of the asset building portfolio that contributes to both individual and community wealth.[13] However, Black families have not been able to fully benefit from homeownership. According to Dr. Andre Perry of the Brookings Institute, real estate in majority Black communities has been systemically undervalued, suppressing opportunities for wealth creation through ownership and impacting property values. This is an evolution of redlining and racist banking policy and housing segregation; whereby Black families could only live in areas where their homes would be insured.

The government residential appraisal process used to assess property taxes is imprecise. Government appraisers cannot fully compare properties to amenities to other homes. Instead, they compare neighbor sales which provides justification for increasing in all properties in a community, regardless of any work being completed.

Historically, this phenomenon played out in two ways, ***white flight**,* and ***gentrification***. As neighborhoods became more integrated, white families sold their homes, often under value, to retreat to the suburbs and get away from their new Black neighbors. True to form, selling homes under their market value impacted the assessment value of the community. This diminished the value and local tax revenue in these now diverse communities. Coupled with disinvestment, the loss of industry, and the diminished quality of local public goods, once thriving communities gave way to ***urban blight***. Limited development led to ***food swamps/deserts*** and increases in ***NIMBY*** (Not in My Back Yard) development and suppressed value. Any potential wealth that could have been obtained by home ownership is then lost. Negative equity robs families of wealth by diminishing the value of their home compared to the purchase price. This occurs by negative community development practices or economic downturns.[14] The damage to Black families is often felt when they receive lower appraisals based on undesirable socioeconomic indicators, such as living in a community with a high renter population, or simply the fact that the home is owned by a person of color.

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[11] Avenancio-Le´on, Carlos F., and Troup Howard. The Assessment Gap: Racial Inequalities in Property Taxation. http://www.trouphoward.com/uploads/1/2/7/7/127764736/avenancio-leon___howard_the_assessment_gap.pdf.

[12] https://www.huduser.gov/publications/pdf/wealthaccumulationandhomeownership.pdf

[13] https://www.brookings.edu/research/rethinking-homeownership-incentives-to-improve-household-financial-security-and-shrink-the-racial-wealth-gap/

[14] https://www.sciencedirect.com/science/article/abs/pii/S105113771730205X

Gentrification, then is the inverse phenomenon by which low-income areas begin to receive investment and redevelopment, often from investors or people of higher socioeconomic status. These vacant or undervalued properties are then purchased under what would otherwise be fair market value for the purpose of redevelopment. Once rehabilitation begins, investors ride the wave of increased demand and property tax valuation, capitalizing on the positive equity in their homes. This is often reflected in housing rehabilitation, new infrastructure and new development that raises the value of local property. Jason Grotto of Bloomberg details how property taxes are tilted in favor of wealthy homeowners even before any exemptions or abatements are granted.[15] As neighborhoods receive new investments, newly constructed or remodeled residential properties improve in interior/exterior facades, layout, and size. Once on the private market, these rehabs are subject to forces that increase their perceived value, leading to them often being bought for several times more than many homes in the area are assessed. Similar to how homes sold undervalue robbed communities of wealth, this process raises the value of the area overall, increasing wealth and equity, but creating new pressures on legacy residents.

Financing Local Displacement: Impact on Legacy Residents

The drum beat of development blares out legacy residents. For many black and brown communities, long awaited new development turns into a negotiation to spare their way of life. Often, residents simply avoid the fight because they all feel they are powerless to stop the oncoming development. This is actively occurring in Atlanta's historic West End in the new Lee + White Development. While the political apparatus will champion this new investment, to many it feels like "The Building, the Breweries, and the Ballot" rather than "The Bible, The Bullet, and the Ballot" by Fabulous Moyo. Several community businesses were lost in this development. Local advocate, Kiyomi Rollins, of the Ke'nekt Cooperative, noted this when stating that, while Lee + White is cool, many residents miss the stores that previously occupied the space. While these investments are physical fronts of gentrification, a far more nefarious plan has been set in motion.

In 2018, while chants of Redlight the Gulch caught fire for many in-town Atlanta communities, a deal was being cut. As reported by many outlets, the City of Atlanta had agreed the pay Atlanta Public School System (APS) $10 Million dollars from the Westside TAD.[16] Due to systemic underinvestment, the APS school system had been hurt for funding for years, impacting their ability to provide resources for educators and students. Despite the local economy being strong, property taxes remained low due to Fulton County lagging to reassess after the Great Recession. The State Austerity Reduction cut millions of state dollars from local schools but was finally restored from 2018-2021.[17] In its 2011 budget, at the height of the recession, the APS General Fund made of local revenue, accounted for $589,025,888 in total revenue. By 2018, the same General Fund accounted for only $509,663,064 in total revenue. The lessons of the Great Recession were clear. Ensure you have stable funding from local taxes, as State and Federal funds become less dependable during challenging times.

The school system had been hurting for years to make ends meet. Now the City was demanding to take more of APS tax revenue to assist in financing a new megadevelopment. The line in the sand became the TAD incentive for the developers. For the sake of development, local officials were willing to forego necessary educational funding that hurt the school system. **Over the life of many incentives generated from Tax Allocation Districts, APS will have contributed more than $1.6 billion (about $5 per person in the US) dollars. Since 1999, they have allocated $434 million and in 2015 alone, APS missed approximately $15 million in local funding due directly to Tax Allocation Districts.**[18]

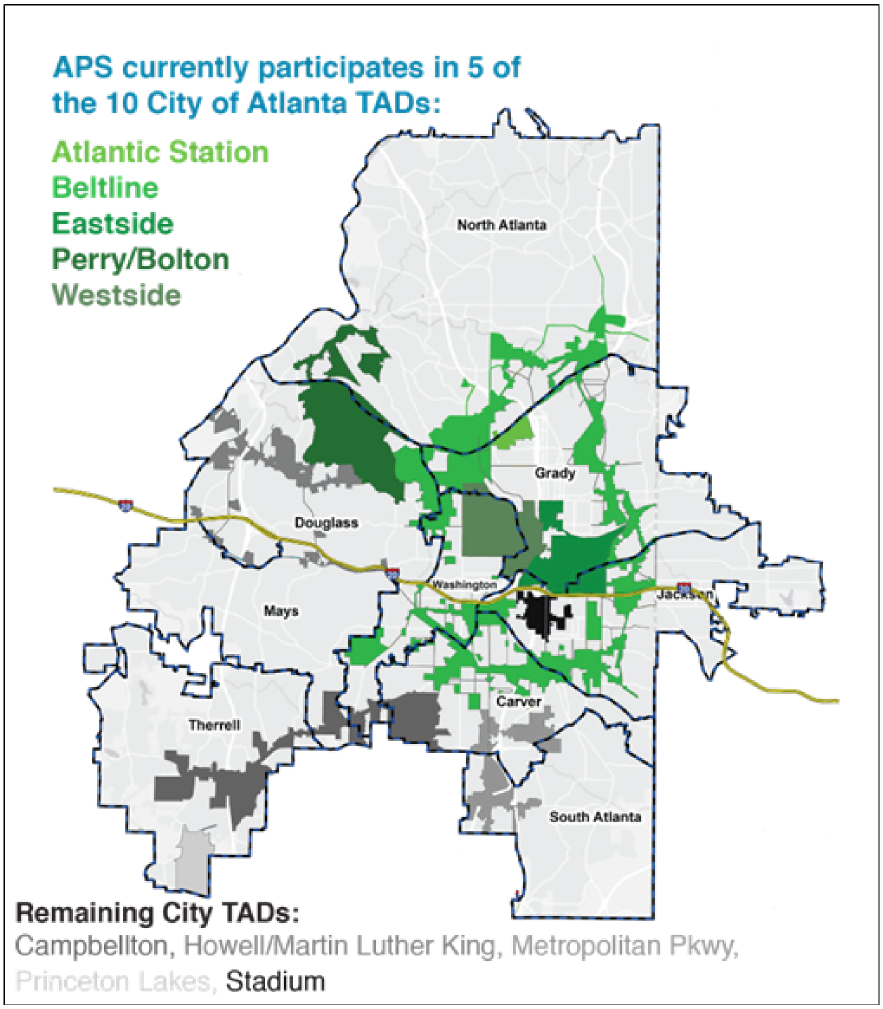
[15] Grotto, J., 2021. How Unfair Property Taxes Keep Black Families From Gaining Wealth. Bloomberg, [online] Available at: https://www.bloomberg.com/news/features/2021-03-09/racial-inequality-broken-propertytax-system-blocks-black-wealth-building [Accessed 29 September 2021].

[16] Saporta, Maria. "APS: City of Atlanta Late in Making $10 Million Payment on Tad Agreement." Saporta Report, 22 Apr. 2019, https://saportareport.com/aps-city-of-atlanta-late-in-making-10-million-payment-on-tad-agreement/sections/reports/maria_saporta/.

[17] Downey, Maureen. "Opinion: Proposed K-12 Budget in Georgia Would End Austerity Cuts." Ajc, The Atlanta Journal-Constitution, 19 Jan. 2022, https://www.ajc.com/education/get-schooled-blog/opinion-proposed-k-12-budget-in-georgia-would-end-austerity-cuts/DCTCPJW5IZF43NHXK74LJQHU5A/.

[18] https://www.atlantapublicschools.us/Page/58677

Figure 5: APS Participation in Atlanta TADs



APS was surely defensive of this new development and being asked to hand over more of their revenue. Until a mistake was discovered, specifically in the formation of the Westside TAD, a loophole which could place the City in legal political jeopardy. APS used this mistake to force the city into the $10 million compromise. Nevertheless, nefarious plans were coming.

In 2018, Mrs. Scott had a remarkable tax bill. She had a fair market value of just $44,000 on her home in Southwest Atlanta, now considered a historically Black community. Property taxes are comparable to a fee paid by community residents for the benefits they receive through local policies, improvements in infrastructure, and services funded by property taxes. Her tax bill that year, an astounding $33.09.

As previously noted, government appraisals are often imprecise. Nonetheless all parties are subject to these assessed values. The process for property assessments involves a complex formula. First you multiply a property's market value through an assessment ratio (or percentage ranging from zero to one hundred.) For example, in Georgia, property assessment ratios are 40% of their market value. In addition, the assessed value is a percentage of a property's market value, and both are vital to determining the real property taxes billed to the property owner. The millage (mill) rate is then applied to calculate the total property tax. The tax bill is calculated by applying mills to the final assessed value. One mill is equal to one one-thousandth of a dollar—or $1 for every $1,000—of property value.

For Mrs. Scott, her property worth $44,000 was subject to 25 mills ($25 for every $1,000 or 2.5 percent), the tax rate would be assessed at 40% of $44,000, or $17,600. If granted a homestead exemption (a reduction of property tax liability for owner occupied homes, assuming $50,000), the assessment of $17,600 would be reduced to $0 notwithstanding various bonds that must be paid. Amazingly, that contributed to an exceptionally low tax bill of $33.09.

That same year, SB 485 2017[19] worked through the State House with a clique of Democrat sponsors. By the year's end, it would arrive on the ballot in time for the 2018 election. SB 485 2017 was designed to ensure more local funding went to the schools. The original intent of SB 485 2017 was tax relief, as it was designed to increase the homestead exemption for all Atlanta residents to shield them from the pressure of rising property taxes. However, this bill was amended so that all homeowners, regardless of home value, would have to pay something to fund APS. Functionally, it amounted to a regressive tax, whereby the poorest Atlantans and most wealthy Atlantans would pay the same amount.

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Christopher Berry explored the extent of variation in property values, comparing the purchase price and property tax value to determine the extent to which the property is over or undervalued by the assessor.[20] Berry evaluates the equity of residential property assessment based on data from millions of residential real estate transactions nationwide. Comparing a property's selling price with its assessed value at the time of sale provides information about the extent to which the property is over or undervalued by the assessor. Likewise, Carlos Avenancio-León utilized an analysis that included more than 100 million properties nationwide and their annual property tax assessments.[21] He then compared the ratio of the property's assessed value to its real market value.

These two massive undertakings came to similar conclusions. Berry goes on to note that "a property in the bottom price decile pays an effective rate that is more than double than paid by a property in the top decile with[in] the same jurisdiction, on average." Avenancio-Leon found pervasive regressivity in assessments: whereby lower-priced properties were assessed at a higher proportion of their sale price than higher-priced properties. The researcher concluded that Black and Hispanic residents face a 10-13% higher tax burden than Whites because of how property taxes are assessed, with the average assessment ratio for a Black resident being 12.7% higher than for a White resident. For Black or Hispanic residents combined, the average assessment gap was 9.8%. He concludes and explicitly states that regressivity is widespread in the United States but does not arise from the appeals process, proactively answering the question whether people with more money are using their resources to reduce their assessment.

In Mrs. Scott's case, the result of SB 485 was that homeowners with lower-value homes will pay more in property taxes and homeowners with higher-value homes will pay less in property taxes. For example, before SB 485, a $200,000 home would pay approximately $1,037 in school taxes. After SB 485, they would pay $622 in school taxes. Mrs. Scott was not so fortunate. The next year, the school taxes went from $0 to $207.40. For the 2018-2019 budget the APS General Fund had grown to **$818,435,364**.

Atlanta's Tax Allocation Districts were an attempt to acknowledge disinvestment happening throughout the city. However, these districts grew in number and were often extremely large. They required a tremendous tax resource to exist. Lastly, tax allocation districts work best when cities have targeted plans for specific real estate parcels. In the case of the tax allocation districts we examined, they were plentiful, large, and often without specific plans.

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[19] https://www.legis.ga.gov/api/legislation/document/20172018/177344

[20] Berry, C., 2021. Reassessing the Property Tax. SSRN Electronic Journal.

[21] Avenancio-Le´on, Carlos F., and Troup Howard. The Assessment Gap: Racial Inequalities in Property Taxation. http://www.trouphoward.com/uploads/1/2/7/7/127764736/avenancio-leon___howard_the_assessment_gap.pdf.

The amorphous nature of these districts' funnels tax revenue into accounts for development. After decades of inaction in certain TADs without creating new developments and thereby new sources of revenue these only sucked money for other entities such as the Atlanta School System. This set the stage for the largest tax increase Atlanta residents have endured. The perfect storm was set, gentrification was coming.

Methodology

Tax Allocation Districts require significant investment and many Atlanta TADs generated hundreds of millions of dollars from the local digest into special TAD accounts. These TADs extract funds from Atlanta Public Schools, City of Atlanta, and Fulton County general funds, thereby limiting the government's ability to direct funds to city areas where government assistance is most needed. We acknowledge the impact of TADs in our analysis, but by examining the outliers, we eliminate any desire to chase politically acceptable results.

Because property tax incentives are designed to increase the surrounding property taxes (halo effect), the analysis focused on property tax variability. The statistical analysis was blind to the project history and demographic data of each Block Group before running the primary variability and mean analysis. Once Block Groups were identified as outliers, analysis was performed for the probable cause of spiking property values. From there, we inferred from several variables (race, income, and project type) as to the impact on community demographics and potential causes.

With a five-year term, we can take a longitudinal look at investment that took place before this period began. Before we conducted the primary analysis, the raw data was cleaned and aggregated. Properties with no recorded value and Block Groups with fewer than 100 properties were excluded from the analyses. The team identified the subject area as each Block Group in Fulton County and then analyzed them to determine if their property values changed and at what amount (variability).

As TADs are not a federal designated geographic area, additional analysis was done on demographic shifts within Block Groups located within impacted communities. The intent for this second layer of analysis was to answer the question of harm and impact to community. This also demonstrates the way TADs may contribute to displacement, increase housing insecurity, and reshape community demographics, core to the urban regeneration movements of yesterday. Block Groups were used to best illustrate the variability juxtaposed against larger sample sizes which would lower the impact of variability. In addition, the constricted size of the target allows us to determine if property tax incentives had any impact on the surrounding environment.

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[22] Before analyzing, z-scores were calculated for each property in each year. These z-scores provide a measure of how many standard deviations each individual property's value is from the grand mean. A primary analysis was conducted to determine if changes in deviation from the grand mean were noticeably different across years and Block Groups. If the primary analysis was statistically significant, secondary analyses were conducted to assess differences between Block Groups in each year. Block Groups that significantly deviated from the grand mean were defined as outliers if the Block Groups were 2.5 standard deviations from the mean. The team identified the subject area as each Block Group in Fulton County, then analyzed them to determine if their property values changed drastically (variability). Block Groups. The analysis focused on the variability of property taxes because property tax incentives are designed to increase the surrounding property taxes (halo effect). Therefore, by seeing if Block Groups had property values that changed drastically, we can infer from several variables as to the cause. The variables, in this case, are race, income, and project type. The statistical analyst was blind to the project history and demographic data of each Block Group before running the primary variability and mean analysis. Once Block Groups were identified as outliers, Block Groups which had mean property values that deviated significantly from the average property value for all properties across all Block Groups, analysis was performed for the likely cause of spiking property values.

Atlanta's Historic Westside and the Westside TAD Development

Westside Atlanta had become the community of choice for Atlanta's black elite by the early 1900's. The Herndon Mansion stood as a beacon of black excellence and entrepreneurship. The mansion was constructed in 1910, seven years before the Great Atlanta Fire. The Great Fire of 1917 helped grow the population of Vine City. By 1960, the community saw decline and slum conditions. It was during this time Vine City and the Westside welcomed its most famous resident, 234 Sunset Ave, carries as much historical weight as 501 Auburn Avenue. 234 Sunset was the modest home of Reverend Dr. Martin Luther King, Jr. for the last four years of his life. In 1968, this was also the area where the King and Scott families were first introduced. By 1970, the community was engulfed in poverty, crime, and disinvestment.

1976 saw the construction of the Georgia World Congress Center and in 1991, Maynard Jackson's administration published the Vine City Action Plan. The plan detailed residential lot cleaning, rehab of commercial structures, and a vacant lot inventory. By 1992, the City of Atlanta created the Westside TAD to combat the issues the community had faced since 1970. A few years later, the Georgia Dome opened but many were simply misplaced investments.

Stadiums and convention centers are not great neighbors. This example has held true around the country, where despite their promise of economic activity, stadiums such as Philadelphia's sporting trio of Lincoln Financial Field, Citizens Bank Park and Wells Fargo Center are surrounded by boundless parking and old industrial development. The same is true for Ring Central Coliseum in Oakland, the former Turner Field (now Center Parc Stadium) in Atlanta's Summerhill neighborhood, State Farm Arena (which resides next to the Gulch), Nissan Stadium in Nashville, Raymond James Stadium in Tampa Bay, and many others. Though Raymond James has more residential than normal, the housing is far from high end.

These types of developments act like economic development eddies. Billionaire owners hold cities hostage seeking development dollars and public financing assistance. They trap and ensnare the population, and for their part, dollars enter these massive stadiums and complexes never to be spread among the low income and underinvested communities in which they sit. The best project to date would be Atlanta's Truist Park and the surrounding Battery, a mixed-use development that managed to spur several retail and residential uses outside of the Braves' new home. However, growth outside the Battery has been stagnate.

When compared to the community, Atlanta's stadium investments are much more a cause for alarm. Westside Atlanta would benefit from development that better integrates it with the rest of the city. The Donald Lee Hollowell and Northside Drive corridors serve primarily as inner ring suburbs, made of mostly residential-commercial development. Traffic infrastructure isolates the area and makes development increasingly difficult. Both Central Atlanta Progress and the Path Foundation have outwardly acknowledged these issues and challenges.

Neighborhood Profile of Outlier Block Group, 13210026001 (Vine City/English Ave)

Instead, since 1992 hundreds of millions have gone to supporting large developers through the Westside TAD. This TAD is in the City of Atlanta and characterized by high-density commercial developments and small historic neighborhoods of Vine City and English Avenue. Within this area we find the **first outlier Block Group, 13210026001 (Vine City/English Ave)**. This area has been considered low income, and between 2015–2019, was nearly completely made of people of color (94.74% African American and 1.56% Latinx). The median household income for the study area was $33,611, compared to the state of Georgia with a median of $58,700, as estimated for 2015–2019 by the Census' American Community Survey.

Outlier Block Group 131210026001 rests along **Northside Drive between Martin Luther King Drive and Joseph E. Boone Blvd NW**. The area is within the Westside TAD. The Westside TAD saw two significant projects during the study period. The investment into the Reverb by Hard Rock and Rodney Cook Sr Park. TAD funds used for the Reverb by Hard Rock Hotel in the Castleberry Hills neighborhood. In 2014, when Invest Atlanta voted to allocate $4,200,000 to the construction of the 200-room hotel on Mangum Street. The other significant project was the completion of Mercedes-Benz Stadium. Both the Reverb and Rodney Cook Park did not open until 2020 and 2021, respectively. Yet, our analysis indicates this Block Group experienced significant variability in the 2017–2018 years. This closely aligns with the completion of Mercedes-Benz Stadium.

The stadium broke ground in 2014 with a projected price tag around billion. It finally opened in August 2017. The project did not utilize Westside TAD funds but did experience significant investment related to the development of the stadium and infrastructure development in surrounding communities.

One significant event happened with the development of Mercedes Benz Stadium. Instead of demolition of the existing building and resurrection in the same location, the stadium moved about a block south to now border both Northside Drive and MLK Blvd. The move forced MLK Blvd to be rerouted and improved, and in doing so created better access to downtown, proximity to Mangum Street, and created more marketable properties leading to the Reverb Hotel.

However, none of the projects, even the bridge over Northside, truly addressed the issues of connectivity that isolated Vine City and English Ave. Even with such significant developments taking place, development on the western side of Northside or the Southern side of Donald L. Hollowell remain slow to non-existent.
Lastly, if the impact was felt because of infrastructure, this begs the question as to the importance of Westside TAD. The accumulation of taxes deferred into the TAD accounts since 1992 could have been enough to address this issue using the City's general fund and would not have required hundreds of millions in Atlanta School board tax dollars. Indeed, if such an approach had been taken, APS could have avoided the regressive tax of SB 485.

Grove Park (Perry-Bolton TADs)

Grove Park was once known as the place of the who is who in Atlanta. As a central train hub, Atlanta has always been a transplant city. Many of the people who contributed to its early success were not born here. This is in part the story of Dr. Edwin Wiley Grove, born in Whiteville, Tennessee. Much like the billionaires of today who make a fortune in one arena only to purchase a secure investment in real estate, Dr. Grove followed this pattern. After amassing his fortune, he purchased the land which would later be known of Grove Park.

Much like Westside Atlanta, white flight contributed to severe population declines and the eventual deterioration of the area. By the late 1970's the area had no signs of rebound. As previously noted, the 1970's in Atlanta as well as other cities saw swift liquidation of assets in inner cities, and extended periods of disinvestment.
The Perry-Bolton TAD is found right outside the Grove Park community. This is where we locate our next outlier. Outlier Block Group 131210086011 resides along Hollywood Rd NW and James Jackson Pkwy. Much smaller than the Westside TAD, the Perry-Bolton TAD had only $15,838,295 accounted for as of March 31,2020. However, there were no significant projects in this Block Group from Perry-Bolton TAD.

In September 2018, former mayor of the City of Atlanta, Keisha Lance Bottoms, broke ground on the first phase of the Westside Park near Bellwood Quarry. The iconic new park, and now the largest greenspace in Atlanta, serves as a retreat for the Westside/Grove Park community and is also a catalyst for new investment. The first increases we see in this area happen in 2016–2017 which coincides with the first publishing of the City of Atlanta's desires to turn this quarry into the city's largest park. The second change is seen in 2019 after Mayor Bottoms breaks ground. The total park project costs about $40 million and is heralded as an economic driver for the nearby Bankhead and Grove Park neighborhoods.

Yet this promised economic activity manifests differently for residents and newcomers. On your way into Grove Park, along the Donald Lee Hollowell corridor, you see the parting of a sea of incomes. To your right, the new Echo development. A representation of New Atlanta which transforms one of Atlanta's most notoriously underserved areas into ivory
development for the new generation. To the left, the yet untouched part of Atlanta. Simply awaiting their fate. Between 2015 to 2019, this Block Group saw an 11% decrease in median household income and a 7% increase in minority populations.

NPU-V and the Stadium TAD

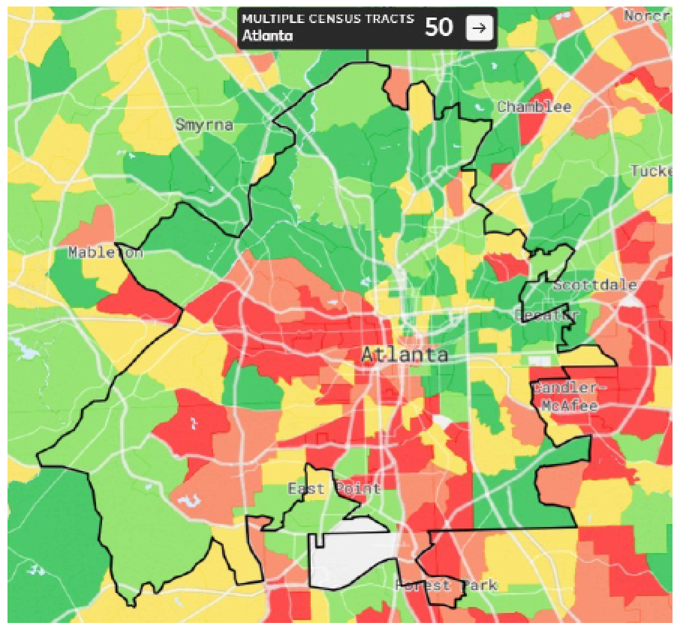
Further south is Pittsburgh, Peoplestown, Summerhill, Mechanicsville, Capital Gateway, and Adair Park communities, collectively known as "NPU-V" (for the city's corresponding neighborhood planning unit). These communities have become known as one of Atlanta's poorest and most crime-ridden neighborhoods, with many indicators of negative growth and restricted opportunity. Pittsburgh and Peoplestown are considered some of Atlanta's most dangerous neighborhoods. Several philanthropic and nonprofit efforts have convened around the community in response, focusing their resources to help shape a new narrative around the area and its residents. In 2014, Georgia State University (GSU), and its team of developers began to activate a plan to increase its presence in the area. The university had recently completed the purchase of the soon-to-be vacated Turner Field with the intent of building it as the permanent home for their new football program.

The subsequent developments were made with the intent to set a new tone and tempo for this area. Despite the presence of one of Major League Baseball's most popular franchises in the Atlanta Braves, they had failed in providing support and investment to build up the surrounding area.

While nearby Grant Park has large homes and holds considerable wealth, residents never felt comfortable venturing too far down Georgia Ave, they are now embraced by shops on both sides. The rehab was a part of a complex swap. The Braves ran for Cobb County to create their own patch of heaven in Truist Park and The Battery development, thus giving way to Georgia State to make south downtown and Pittsburgh/Peoplestown their domain. Here is where we find our latest Block Group.

The Stadium area acted as most stadiums do. It was a drain on the landscape and disrupted the walkability of the neighborhood. Originally, conceived as a neighborhood for working class African Americans, the lack of wealth creation, and loss of opportunities led to an increase in criminal activity. Other residents found it difficult over the years to maintain ownership in their communities. Even before the great recession, this area suffered wave after wave of attacks; from red-lining, poor infrastructure, and flooding to sub-prime mortgages. This area has been under continuous siege, continuing today in the pressure to gentrify its legacy residents.[23]

Within this community is where we find our last two outlier block groups. **Block Group 131210064001** sits within the **Atlanta BeltLine TAD** and has seen increased development activity over the last few years. This area borders the more affluent Grant Park neighborhood and falls just outside the Stadium TAD. It is heavy with retail and residential development. The new retail options and general desirability of that area have supported spikes in property values for this Block Group. Correlated to the new retail development are changes and renovations in housing and other amenities and the signs of the coming changes are apparent. For example, a new Publix grocery store now occupies what had long been a food desert. There is also new construction along Pratt Drive is entering the market between $500,000-$700,000 and has affected this surrounding community, including a nearby public housing complex. The area has experienced an approximately 18% increase of populations of color and the area saw an increase of household income by 17.5%, likely a result of increased density and an influx of higher wealth residents (and residents of color).



Mastercard Inclusive Growth Score, Atlanta 2023

Finally, **Block Group 131210063001** runs along **Metropolitan and University Ave** and borders both the **Metropolitan TAD** and the **Atlanta BeltLine TAD**. This has been one of the most active areas below I-20. The Pittsburgh Yards in 2019, catalyzed by philanthropic investment, continued the shockwave of development already felt at Georgia State and the Stadium TAD to its immediate North. While this development is in the Metropolitan TAD, it was not supported with a TAD fund due to the likelihood of a low fund balance. As of March 31, 2020, this TAD account only had $1,785,463. However, Invest Atlanta did support a rental down payment for small businesses. at is undeniable is the continued attention and investment the BeltLine brought to the communities that it bisected. Nevertheless, there was no TAD activity that contributed to the bump. Lastly, these activities obviously made the areas more desirable, as the area median income increased by 54% while also increasing in the total percentage of people of color by 92%. This is likely due to the migration of low-wealth families south of the city, which continues to be the most affordable, yet most underdeveloped part of metro Atlanta. The south side also has a plethora of ***Naturally Occurring Affordable Housing (NOAH)*** stock, made of older homes which often need significant investment and repair.

Resident Voice

To round out our statistical analysis, PSE engaged with several resident leaders around their perceptions of equitable development. The purpose for these interviews was to use the power of narrative to supplement the data analysis and further ground a changing Atlanta in its community voice. In addition to a resident focus group, PSE also engaged in a series of stakeholder interviews to better understand challenges facing resident leaders in navigating Atlanta's changing community landscape.

Focus Group Findings

The Demanding Equitable Economic Development (DEED) focus groups were hosted in August of 2022 for discussion on the city of Atlanta's development process. Ten (10) resident leaders were identified, from two of Atlanta's most impacted communities in NPU-L and NPU-V, neighboring communities which include the West End/Vine City communities and neighboring Summerhill, Pittsburgh, Peoplestown, Mechanicsville, Capital Gateway, and Adair Park communities. These two communities were specifically selected as they have been the focus of much of the redevelopment activity over the past few years.

Interestingly, a couple of the participants were regularly active with their NPU's TAD committee so discussion on the TAD process was robust. Two main themes emerged from the discussion:

1. Resident Leaders Lack Clarity on the Purpose of the TAD

One of the participants who chairs her NPU's TAD committee, stated that she was under the impression that TADs were financed using business taxes and not property taxes, which is why she had been in favor of their utilization. After walking through the TAD process, several of the residents were bothered by the idea that their property tax dollars were being used to subsidize development projects. This has been a recurring theme throughout our research, highlighting the need for more resident training regarding certain development practices and incentive tools.

2. Development Decisions are Occurring without Community Input

Several participants decried how development was occurring, noting that developers had descended on their communities and that many of them did not feel the proper time was being taken to engage with the community or understand their needs. Furthermore, there was discussion on the feeling of powerlessness that prevented them from stopping a process that was harmful to legacy residents.

Several made note of the lack of transparency in the process, stating that these projects are constantly being presented to the community through the NPU but that there is little dialogue occurring about these projects with the community. Several residents noted that it was common for NPU leaders to meet with developers and business leaders outside of NPU meetings. Another voiced concern that during NPU meetings, residents, while encouraged to attend, are often not allowed to give comments during the sessions. When they do, it is often after things have already been finalized.

3. Community Members Feel Disregarded

In addition to the lack of meaningful engagement and opportunities for resident leadership, one resident leader very eloquently shared that her development decisions were indicative of the lack of care for legacy residents and low-wealth communities. When looking at the TAD map and different developments around the city that were financed with the same TAD process, many were struck at the disparate nature of geographic development. On the south side of the city, there was sparse development of any kind, let alone those financed through the TAD process. This is particularly true of the Campbellton Road corridor.

Similarly, one participant noted how the lack of investment was symbolic of the value that was placed by institutions on low-wealth communities of color and shared how despite fighting and advocating for increased investment and supportive development, their calls often were ignored because they were not seen as worthy of additional time, consideration, or investment.

Stakeholder Interviews

Furthermore, interviews were conducted with a few stakeholders from Atlanta's education community, including one high ranking administrator in the APS school system and two community/parent group advocates. These interviews centered on three questions:

1. Are you in support of using property tax dollars meant for education on community redevelopment?
2. Do you believe that this practice is beneficial for the students and community?
3. What changes have you noticed within your local schools?

Are You in Support of Using Property Tax Dollars Meant for Education on Community Redevelopment?

For one parent, who leads an advocacy organization that represents and is made of parents of APS and Fulton County school students, (SI-1) she shared that she is only in support of using property tax dollars on redevelopment if there is a clear path of how the practice does not negatively impact student education. She states, "If we're bringing affordable housing, sustainable jobs, and programs and businesses allow the people from those communities and school (access), then I can see how it may be feasible to pull money from education."

To one high ranking APS administrator (SI-2), the answer is complicated but centers heavily on intentionality in impact. He is in support of using the funds through TAD but only with the caveat that legacy residents benefit in the process. He practices strategic alliances through what he termed the "blue code," something he learned from a local state representative. He is willing to leverage his vote on this issue on whether it will produce favorable outcomes for the people he cares most about, which in this case are students and low-income families.

"Community development independent of education is a mistake...there must be a strategy behind it."

"The two run together from my perspective. Community development independent of education is a mistake (if things are intended that way) … I am an ATL lifer, I have seen it all. I have seen it bustling, I have seen bustling become blighted communities. Have watched it happen with my own eyes. It is one of the most mind-blowing things. But as I got older, I got the why. In as much as tax dollars being utilized for community development that enhances quality of life for the families who occupy those areas and provides job opportunities and better ways of living that has an impact on students, I am all for it. However, if it is done in exchange of helping families, that is where I find the problem. There must be a strategy behind it."

With that being said, he goes on to acknowledge that the TAD process and other community redevelopment initiatives in the city have not been successful at creating outcomes beneficial for the same residents directly impacted by the process. SI-3 operates a nonprofit focused on student support and advocacy, which services mostly APS students. She shares that she does not support the TAD process in urban redevelopment, particularly on the use of school resources to accommodate it. She notes that there has been no "positive, sustainable track record shown of positive impact" from community redevelopment initiatives or the school system's engagement in the process and believes the practice "exacerbates many of the challenges kids are already coming to school with."

She went on to elaborate on her answer, explaining that APS' role in the process was not as a passive participant but was actively complicit. Unlike most major metro school systems who operate under municipal structure, APS is an independent school district. This gives them significant autonomy in how they govern daily operations without influence from the city or state. Within the TAD process, this is likely why Atlanta Public Schools leadership must agree to forego property tax revenues separate from Fulton County and the City. Additionally, SI-3 elevated how APS is already the largest landowner in the city and has a larger operational budget than the City of Atlanta.

Despite these resources and holding considerable influence, data shows that APS has had decreasing student enrollment and performance outcomes nearly every year.

Do You Believe This Practice Is Beneficial for Students and the Community?

SI-3 does not believe this process is beneficial for students and community and thinks this process runs counter to servicing the needs of students and families. To her, schools, particularly those in urban school settings should be the center of community and redevelopment often becomes disruptive to that process by failing to do what is in the best interest of students and families. As an example, she points to Forest Cove apartments in the Thomasville community and how after the local school and apartments were demolished, kids were bussed to a different part of town.

> "*When Thomasville Elementary was closed, why do these children have to go all the way over to Slater (Elementary) when Benteen (Elementary) was literally around the corner? Why can't these kids go together and stay together when you are already disrupting family units? There were multiple generations living in Forest Cove. So now you're splitting families apart because they do not have a safe place to live. You're also taking small children away from a social environment that gave them some comfort."*

For context, Benteen is three minutes from Forest Cove versus the ten-minute trip to Slater.

These types of decisions are seen as reflective of what is valued least in redevelopment, native and legacy residents. SI-3 is not a native Atlantan but has been here over twenty years. She describes herself as being "caught in the allure" of Atlanta when she first came here, seeing it as a "Black mecca." Over time, she has come to the reality that the city's many Black faces are not reflective of its native community and the ones holding influential seats within the city are transplants from other places. She goes on to note that most Atlanta natives she knows are not in positions of influence or working professional careers.

> *Besides Andre, (Mayor Andre Dickens) there aren't many... The Jacksons, The Kings, The Youngs, you can almost count them on one hand... Atlanta has shown they are more concerned with how many brand names you can get on buildings than building the people who are born and grow here."*

SI-2, a native Atlantan, shared that Atlanta has a poor track record regarding development that benefits low-income communities, stating that these projects only give some attention to the "have nots" to avoid political scrutiny. He provided an example of Atlanta's historic westside communities that have endured decades of underinvestment and blight to feel the pressure of gentrification only now because someone sees the value in their land, but not them.

"Think about the westside (of Atlanta). You are starting to see improvements... but it has nothing to do with supporting the people who live there."

> *Think about the westside (of Atlanta) … For decades you had areas where there was blight and boarded up houses. It is still the case now in a lot of ways but now that the gentrification lens has looked over there, suddenly you have half million-dollar homes. Five hundred million, four hundred million dollars being invested in those areas. You are starting to see improvements from Vinings down… but it has nothing to do with supporting the people who live there."*

Furthermore, while he has seen TADs have some positive impact on the community, he sees them as being tantamount to aesthetic improvements in low-wealth communities of color. However, along with the improved housing, greenspace, and retail, he is often left asking himself, at whose expense?

> "*I do not see where Blacks benefited a great deal. For lower class and working-class families, they did not benefit from those districts. If you were ready to pivot and maintain where you lived and had the financial means, then I guess. But if you did not, you found yourself out of luck."*

Similarly, SI-1 shares that she does not currently see the utility in the current development practice for that exact reason. She goes on to state that instead of being helpful, these private developments are "intruding" on Black and Brown communities. Like our analysis, she sees how community voice and public finances are being used to support agendas other than community needs.

> "*Right now, how it is being used, property owners are paying taxes, but that money is not being used the way it should for the current schools anyway. So, unless these new developments can cater to the whole community, it has to work for the community."*

In all, SI-3 sees the redevelopment process within the city as being connected to the city's desire to brand itself behind corporate relationships, leveraging fortune 500 companies and brand names rather than building something of substance through residents. She points to how Georgia touts itself as the number one state to do business and measure it against the number of fortune 500 companies and its favorable business environment. Furthermore, she draws the connection between the role of education in business attraction and site selection. For companies seeking to relocate executives and high-level professionals to the city, it is difficult to do that without great local schools. The shifting demographic within APS is a sign of that.

What changes have you noticed within your local schools?

When asked on what changes she is witnessing within the school system because of the relationship between the TADs and APS, SI-1 feels that communities and parents are no longer welcome as partners within the school system. Instead, she sees schools catering to developers and blocking out parent concerns,

"Schools are partnering with developers versus partnering with parents..."

> "*Schools are partnering with developers versus partnering with parents, they are doing business with the business communities, and very little interaction with communities. Investors are sitting on our charter and partner school [boards]; people on the board are more concerned about business and investments versus doing what is best for kids."*

From her time as an educator, SI-3 shares that things have changed significantly because of the business and corporate influence within the schools, often to the detriment of families. "It is a huge corporate presence now, but it's shrouded under "partnerships." She goes on to state that business interests are often welcomed into school with ease but parents "have to jump through hoops just to come into the building." In her estimation, this failure to create welcoming and psychologically "safe" environments by APS is part of the issue. She notes that schools often ask for parent input but never actually do the things that parents ask them to do. Furthermore, she believes the city's often forgotten cheating scandal could play a role. "For a lot of younger students, up to 6th or 7th grade now, their parents were children of the APS cheating scandal. We don't talk about that enough." For these former students who are now adults with their own children the recollections of how the educational system failed, and in some cases, discarded them, may still cause a level of institutional trauma.

Furthermore, he provides the example of how within these housing projects, in some ways were communities and community assets. In Bowen homes, one of the Hope VI developments, A.D. Williams Elementary School was embedded in the community and within walking distance from most homes. However, in the site demolition, the school was also razed, "which destroyed that feel of community."

> *"I think we did a disservice in a lot of ways. We brought commerce to the city. We brought improvements where people have a better place to live and dwell, but some people got stepped on because of it."*

Findings and Recommendations

In summary, there is considerable evidence pointing to TADs being both overvalued as an economic development tool and causing considerable harm to Atlanta residents. Using careful statistical and econometric analysis along with documentation of resident experiences, this study has answered its primary research questions regarding TAD effectiveness and resident harm.

To conclude this analysis, this research will respond to the research questions, provide supportive findings from the analysis, and complimentary recommendations designed to increase equitable economic growth.

Are TADs Effective in their Primary Goal of Increasing Property Values?

Over the five-year study period, we determined that, despite the presence of multiple TADs, only 19 Block Groups within Fulton County had significant property value variability and several of these fell outside of the designed TAD areas. In examining each Census Block Group, it was determined that housing, mixed-use developments, and large scale commercial and commercial infrastructure projects were primarily responsible for the property value variability in each outlier Block Group. Similarly, we found that the only TAD with any correlation with an outlier Block Group was the Atlanta BeltLine TAD.

The primary function of TADs is to increase an area's desirability by driving new commercial retail activity. Amenities such as bars, restaurants, and places of entertainment create demand to live in proximity. This demand will align all properties to higher market values because this demand is enjoyed by all properties in that area simultaneously. This is the effect best seen by the Atlanta BeltLine.

When utilized correctly, TADs have had some positive impacts. For example, the Atlanta BeltLine TAD produced the single most significant economic impact in redevelopment of persistent low-wealth communities in Atlanta. The Atlanta BeltLine TAD and even the Atlantic Station TAD, which converted a former Brownfield site into a thriving inner-city, mixed-use development, produced the blueprint for TADs, with a caveat. If TADs were ineffective in delivering any substantial impact and did not provide adequate protections for legacy residents when they did, then the question of negative impacts versus intended impacts must be explored. This is discussed in more detail in response to research question two exploring whether TADs cause harm.

Do TADs Harm Atlanta Residents?

In answering the question of harm, we concluded that TADs across Fulton County harmed minority communities in two ways. First, these property tax incentives did not demonstrate the significant impact for which they were designed. As impact was measured in the change in the overall environment, the most objective measure was to look at increases in property tax values. The rationale behind this was simple, a lack of positive change constituted lost opportunity, which caused harm. This opportunity cost was valued against the incentive cost. From our assessment of property tax incentives, we concluded that only Tax Allocation Districts were explicitly designed to make dynamic changes in the environment, specifically to increase property tax values. Similarly, increased property values that correlated his significant change in community demographics could be seen as harmful for legacy residents.

In doing so, they have diverted millions of dollars away from other areas of need which could have been supported through property tax revenues. Additionally, the utilization of the tool has caused the most harm to Atlanta's most vulnerable neighborhoods which could have utilized government intervention to obtain social justice. One of the most extensive harms derived from TADs, is funds collected from Atlanta Public Schools taxes. Over the life of just five of Atlanta's TADs, APS will lose nearly half a billion dollars ($434 million) in revenue. Such a number represents significant harm that deducts funds from vulnerable populations and redirects school resources into the hands of developers. Furthermore, Atlanta residents, many of whom are or were once children educated in the APS school system, are not being provided equitable access to jobs, wages, and other benefits from these new development projects. Without a substantial impact on the area's property values and with the inequalities present in the property tax system, $434 million represents a waste.

These costs affect other institutions and the citizens who fund them. APS' lack of funding is memorialized by **GA Senate Bill 485**, which required property taxes to be paid on at least $10,000 of property value. Before this change, properties at the lowest end of the value spectrum were able to utilize homestead exemptions to wipe out property tax obligations. After the institution of this "fair tax," homes at the lower end had to bear the cost of high property taxes for schools while wealthy homes gain the benefit of a higher homestead exemption and lower property taxes.

Secondly, their lack of impact exacerbates the inequity of displacement. As we examined above, significant research has found Black and Latinx families already pay a higher percentage of their home values in property taxes versus White communities. The best way to describe the phenomenon is by illustrating the inequity of house flipping. Investors are more likely to buy properties in low-cost neighborhoods with the goal of providing significant interior/exterior renovations. These homes are then sold for much higher than the investor paid. After this happens several times within a community, the government tax assessor must assess all homes regardless of interior renovation at a higher market value. However, when homeowners who have not made similar interior renovations seek to sell, they are denied the market value that the investor enjoyed. As their home is assessed higher, they pay more in taxes or in their mortgage but if they sell, they do not get the same value on the private market. This does not even mention the subsequent impacts on renter communities, who often feel the rising cost of living and property taxes in their monthly rent. Those renting homes see the rising tax burden passed on to them in their rental rates. Multifamily and apartment communities feel this shift as well, as property managers raise rates commensurate with the market and tax obligations to protect their profitability. As Georgia does not legally allow rent caps, this can create significant year to year (or even month to month) variation for non-homeowners.

Changes in property values for this study period found that property values were most often aligned with new development in housing. Housing at lower price points increased property values on once raw land. However, mixed-use developments saw the most significant changes in property taxes for infill urban environments. Industrial development also saw changes, but like lower price point housing, the most notable change happened to once raw land and severely distressed properties. Government projects had substantial impacts. Parks changed the overall desirability of areas and increased the housing demand. Stadiums had a similar halo effect as parks by increasing the desirability for commercial tenants.

As Tax Allocation Districts are designed to center on commercial development, residential development is not ideal for TAD investment. In our analysis, there were some cases of residential, multi-family developments and development projects led or owned by non-profits, who do not pay property taxes, receiving TAD funds. This is a functional waste of TAD dollars and could represent a misunderstanding of the TAD process from those involved in its deployment. Additional analysis is included in Appendix B.

Additional Findings

1. Only Tax Allocation Districts were explicitly designed to make dynamic changes in the environment, specifically to increase property tax values. Then, other variables were identified, such as race and income.
2. Redevelopment efforts in low-wealth communities led to significant demographic shifts, particularly related to racial demographics and median income.
3. Increases in property tax values place pressure on low-wealth and legacy residents which increases the odds of displacement.
4. TADs are most impactful under specific and limited guidelines that define the specific intent, uses, scope, and length. Once TADs deviate from these guidelines, their existence lacks impact and harms low wealth neighborhoods that depend on other government institutions to support community growth, services, and equitable economic opportunities.
5. One of the most extensive harms derived from TADs is associated with foregone property tax revenue that is collected for schools and other public services.
6. Many TADs in Fulton County remain open, despite illustrating the ability to attract independent investment. This leads to further lost revenue.
7. Redevelopment efforts produce cultural tension between legacy residents and new residents. Communities that were intentionally segregated and left to periods of prolonged disinvestment are now losing their history and culture through gentrification.
8. While TADs are designed to revitalize low-income areas, communities that lack necessary commercial activity to fund the TAD are left without the ability to draw resources to fund redevelopment efforts.
9. Many neighborhood redevelopment plans which guide TAD utilization are significantly outdated, with many being over twenty years old and several others nearing that mark. Updates to the neighborhood redevelopment plans should be done on a periodic and ongoing basis to ensure that community voice, assets, and resources and coordinated to support economic mobility.
10. Data regarding total investments and projects in each TAD was extremely difficult to obtain. As this process is not very transparent, more data tools, reporting, and innovation should be explored to increase transparency around the TAD process, intended outcomes, and active/proposed projects receiving TAD funding.

Recommendations for Policymakers

To address the challenges brought on by this tool and practice, PSE would recommend the following:

1. **Recommendation 1: Discontinuation or Refinement of TAD for Urban Redevelopment**
   This analysis has shown TADs are both ineffective at meeting their intended technical purpose of driving commercial activity to raise property values, and are, at worst, a driver of displacement of legacy residents and low-wealth communities of color. Furthermore, the City of Atlanta TAD process, which has taken half a billion dollars from the Atlanta Public School system alone, has been shown to be problematically extractive, using resources designed to support local students and disrupt the cycle of poverty to incentivize private development which has not translated into jobs and opportunities for the city's residents.

   While we recognize it is highly unlikely and not politically expedient, PSE recommends discontinuation of the use of TADs/TIFs as a tool for community redevelopment. Additionally, further guidelines are needed to promote the greatest utility of tax incentives, including protections against projects owned by non-profit organizations. Because non-profits do not pay property taxes, the receipt of TAD funds in counterproductive to the intent of the tool. It also opens the city up to misuse of funds outside of examples where the development produces a clear equitable public good (i.e. a nonprofit housing developer controlling against property tax diruption for low-wealth residents.)

2. **Recommendation 2: Closure of TADs**
   As the intention of TAD is to catalyze commercial investment, areas where commercial investment is happening independent of the TAD are not in need of the tool. As so, PSE recommends closure of TADs in areas that have shown the ability to attract investment independent of the TAD, as keeping the TAD to remain open only further robs communities of needed resources for equitable growth.

   Past efforts have been made to close some TADs with debate on both sides around its utility. However, as this analysis has clearly demonstrated, the stated equity benefits of TADs have potentially been overstated by advocates. Therefore, it is our position that TADs operating in communities that have shown the ability to attract independent investment or increased commercial activity should be closed to better support other necessary community investments.

3. **Recommendation 3: TADs need specific and equitable goals and objectives**
   In communities where it may not be politically feasible to discontinue the practice of using TADs, the process should be completely revamped to support transparency, equity, and efficiency. Analysis showed that when development is focused, with specific projects, goals and objectives, and the TADs are narrow in scope and size, they can be successful. Conversely, when TADs do not adhere to these conditions, they are simply a drain on neighborhood resources.

   Project considerations should include TAD projects being specific to a development priority with size restrictions. Equity considerations for these projects should include provisions for affordable housing, minority business and workforce participation, infrastructure investments, and protection of greenspace. The upcoming Centennial Yards development includes some of these provisions and will be an interesting study on the impact of equity considerations in the development and operation of the site.

4. **Recommendation 4: TAD Projects Should Cross Neighborhood Boundaries**
   As currently designed, a designation of a blighted area is necessary to trigger the TAD process. However, in restricting this development to low-income areas, there is a natural disincentive in creating enough commercial activity to adequately fund the TAD, placing the greatest pressure on legacy residents who are often without commercial infrastructure to drive development. We believe TADs should be drawn/redrawn to cross existing neighborhood boundaries to exist in both wealthy neighborhoods and poor neighborhoods.

   Without necessary increases in commercial activity, the TAD would be left without the necessary commercial activity to fund successful redevelopment efforts. This is an example of what has occurred/is occurring in many TADs, which have seen little movement, such as Campbellton Road. By drawing TAD boundaries across neighborhood boundaries, it creates a mixed income resident/commercial base that allows higher income residents with more commercial assets to support the development of under sourced areas. For example, the affluence of Grant Park could be included in the Stadium TAD to support revitalization efforts in Summerhill, Peoplestown, Thomasville Heights, or other surrounding communities.

5. **Recommendation 5: Use of TAD Funds to Support Affordable Housing**
   As displacement is often a function of the rising costs of property taxes, in its reimagining of the TAD process, the City of Atlanta should consider using a portion of TAD funds to finance an affordable housing grant pool that could pay the differences in property tax increases for impacted residents. This would permit residents the opportunity to age in place and benefit from the positive changes that can occur from community redevelopment. This would also be in alignment with the City of Atlanta's One Atlanta Housing Affordability Action Plan commissioned by former Mayor Keisha Lance Bottoms. In this plan, there was a recommendation made to explore the expansion of property tax programs for the creation and preservation of affordable housing to minimize displacement.

   The City and the administration of Mayor Andre Dickens should be commended for already implementing this approach, with the excess funds from the Eastside TAD currently being used to support the affordable housing development at 2 Peachtree.

   Additionally, PSE would also recommend that funding be directed to grant programming for low-wealth residents that would finance necessary improvements for homeowners (including those that would increase energy efficiency and weatherization) and insulate renter populations by preparing for and protecting long term home affordability.

6. **Recommendation 6: Compliance Reviews Property Tax Claw Backs**
   The City should explore the use of an ongoing compliance review process and maintain authority to initiate claw backs to retrieve property tax revenues for noncompliant developers or private partners. In practice, if a developer partner failed to meet the pre-established equity metrics for the development upon annual compliance review (such as adherence to a CBA or creation of the number of projected/promised jobs), the City would maintain authority to retrieve a portion of foregone property tax revenue.

7. **Recommendation 7: Increase Community Voice**
   Many economic development negotiations are done under the guise of confidentiality, outside of the public gaze. As such, it presents a significant challenge to residents and organizational partners alike, in being able to advocate effectively, identify concerns, and promote accountability through access to up-to-date data and reporting on the economic impacts of current investments. In completing this analysis, the PSE team was required to comb through years of meeting notes from city council, development authorities, FOIA requests, and pull records from the state courts to identify investments made through property tax incentives.

   It is unreasonable to expect resident leaders to undertake this level of effort to identify trends in neighborhood development. As these property tax incentives have a direct impact on residents, local governments should seek to more proactively promote trust and partnership with resident leaders in a way where they can opine on the types of development decisions they need and build consensus on the use of property tax abatements in their communities. This could resemble active dashboards that illustrate active projects in the TAD, current TAD investments, or allow residents the opportunity to vote on proposed projects. There are opportunities for the use of technology and innovation to promote trust through new tools like Decentralized Autonomous Organizations (DAOs) which use blockchain technology to establish residential address/home occupancy, create voting blocs within the TAD, solicit project proposals, and allow for reporting on investment into the TAD all with open source data reporting.

   Additionally, proactive communication should be done beyond the NPU system to inform residents of what the opportunity costs of these investments may mean. Further opportunities for resident leadership should also be explored, including sitting on City Council committee meetings, participation in the Invest Atlanta TAD committee and the NPU TAD advisory committee. Other opportunities are uplifted below under the recommendations for resident leaders.

Recommendation 8: Support for Community Benefits

To ensure that residents receive direct benefit from the use of tax incentives for private development, state and local government and quasi government entities (including economic development authorities) should explore the use of Community Benefits Agreements to facilitate connection and negotiation between residents and developers to meet communal needs. This process should be legitimized through policy and integrated into periodic updates for the TAD redevelopment plans. To ensure CBAs (Community Benefits Agreements) are adhered to, they should be made material to the contractual terms between the city, on behalf of the impacted residents, and the developer. Currently, community benefits are assigned in a more ad-hoc manner and not consistently applied across all TADs.

9. **Recommendation 9: Preliminary Study of Economic Impacts**
   Prior to continuing the practice of property tax incentives, state elected officials should convene a working group of local community leaders and elected officials.to study the economic impact of past TAD investments and other tax incentive tools. Namely, the state should quantify the actual opportunity cost of this practice to understand the future impact of foregone tax revenue on community wellness and stabilization beyond measuring value in potential jobs and revenue created. Furthermore, the working group should be provided a vote in the selection and investment process.

10. **Recommendation 10: School Funding**
    As quality education is a key driver to community wellness and economic mobility, a portion of all property tax incentives should be sheltered to support local schools and APS family stability. Given APS status as one of the largest landowning institutions in the city, better alignment between TAD funds and publicly owned property could create a pathway to more permanent affordable housing or necessary wrapround services for APS families.

11. **Recommendation 11: Stakeholder Education**
    Economic development tools offer significant opportunities but also can create undue hardship on communities if not responsibly administered. It was stated during our community engagement sessions that some resident leaders who sat on their NPU TAD committee, did not fully understand the TAD process, stating that they thought the development was paid for by commercial developers and not from property tax revenue. Proactive education should be provided to local elected officials and resident leaders on the implications of these tools and their potential impact on the community. Namely, those with voting interest on these tools should participate in more specific, extensive training on their role in the TAD and economic development process to avoid appropriating inequitable practices.

12. **Update of TAD Redevelopment Plans**
    As previously noted, most of the TAD Redevelopment plans are quite dated, with most of them approaching twenty years old, or older. As we live in a dynamic and rapidly changing economic landscape, these plans need to be updated to best align community voice, community needs, and types of projects and investments each TAD is looking to produce. The city should engage in a comprehensive update of TAD Redevelopment Plans for each TAD that will remain in operation, using an equitable, community centered, and asset-based approach to guide the process. Plans should subsequently be updated no later than every ten years.

Recommendations for Resident Leaders

Give Yourself Grace

First, give yourself grace and understand that it is ok to not know the answers to every question. Also know that no one person holds a monopoly on knowledge and that your wisdom and lived experience is just as legitimate as any technical skills.

Even if you don't have all the words or know the right questions to ask. Showing up, having presence, and creating space to continue to learn will be key in your advocacy journey.

Tell Your Story, Your Way

Advocacy is simply sharing your opinion on an issue with someone who can help bring systematic, lasting change. One of the most impactful pieces of advocacy is simply telling your story, your way. It doesn't have to be public speaking or before city council, and you don't have to always have the right words or say it perfectly. But when you can communicate your thoughts, feelings, and show people your reality and how this issue is affecting you, you will win allies. If you are uncomfortable with public speaking, some other methods of storytelling include:

- Using photographs to show, rather than trying to tell your impact with words
- Podcasting and storytelling in informal settings
- Writing (op-eds, think pieces, or letters to your local newspaper).

It might also be helpful to schedule a one-on-one sit down with your local representative simply to share your story, off the record, about how an issue is impacting you as well. Included below are resources from our allies at Prosperity Now that are designed to aid in connecting with your local elected official:

- Tips for Calling Your Legislator
- Tips for Writing Your Legislator

Identify Allies

PSE believes that power is exercised through three methods; **Organized People**, **Organized Data**, and **Organized Money**. By building a **Power Map**, you can identify potential allies and use your story to connect with people who can either share or support your cause.

A strong coalition also has both horizontal (peer) and vertical (institutional) supports, so identifying institutional partners (or those within institutions who are willing to provide guidance and support) is key. Atlanta is home to several great advocacy organizations who are both innovating for change and seeking to place proper external pressure on our institutions to engage in more equitable practice. Their work involves significant opportunities for resident voice and leadership, so be sure to identify a local organization who you are values aligned with, to help you move your issue.

Additionally, residents are encouraged to deep dive into tools like **PSE's Metro Atlanta Racial Equity Atlas (MAREA)** to gather additional data around neighborhood trends to build a data driven case for the change they desire to see.

Identify Opportunities for Resident Leadership

As mentioned in Recommendation 10 above, there are several opportunities for resident leadership and service across the City of Atlanta economic development landscape. In addition to your local NPU, where discussions are held about these projects through their TAD committees, opportunities also exist within the City of Atlanta, through various Public Meetings, Boards and Commissions. A list of these commissions is as follows:

- **Tree Conservation Committee:** a citizen board, appointed by the Mayor and City Council Members of the City of Atlanta to assist in the protection, maintenance, and regeneration of the trees and other forest resources of Atlanta.
- **Atlanta Planning Advisory Board (APAB):** a representative Board of citizens made up of every Neighborhood Planning Unit district of Atlanta.
- **Urban Design Commission:** comprised of 11 city residents, each with a required professional background and are appointed by the Mayor and the City Council.
- **Board of Zoning:** Board of Zoning Adjustment is a quasi-judicial board of five appointed members that hears applications for variances and special exceptions from the zoning ordinance, as well as appeals of administrative decisions.
- **Zoning Review Board:** Zoning Review Board consists of nine members, appointed by the Mayor and City Council, who meet twice a month to consider property rezonings and special use permits.
- **Concept Review Committee (CRC):** The Concept Review Committee (CRC) is a pre-submission meeting program. It serves as an opportunity for customers to meet with representatives from the City's plan review agencies at the forefront of the project design stage to refine plans and scope in an open and organized format.

As decisions involving public assets facilitated by local government must be made public, residents are open to participate in the Invest Atlanta Tax Allocation District Project and Policy Review Committee and Economic Development committee meetings, held on the second Thursday of each month at 2 pm and 3:30 p.m., respectively, in the Invest Atlanta offices. You can also access board meeting notes and documents at your leisure.

Also included is a link to your NPU contact directory, which identifies your local representative, NPU Chair, and other points of contact. NPU's also host TAD advisory committee meetings. Some questions you may want to consider asking are also included below:

- How will this project prevent displacement of long term (legacy) residents?
- Where can I put my thoughts on this issue on the record?
- What projects in my community are receiving tax incentives and how can residents follow the collection and utilization of TAD funds?
- Why has APS not been more vocal about affordable housing and economic development, specifically in communities south of Interstate 20?
- What improvements can my community anticipate from this TAD investment?
- How has APS benefitted from their TAD investments?
- How much affordable housing has our TAD investments been able to create?
- Will this project contain a requirement for minority business or workforce participation?

Conclusion

In the capitalist economy of the American South, the pursuit of economic growth has too often been done at the expense of people of color. Similarly, there is Having origins in chattel slavery, the subsequent relationship between land use, development, and community design is rooted in race and class dynamics. A failure to account for this complex and sordid history in community revitalization efforts has the potential to create further disruptions for the most vulnerable residents of color.

This analysis offered a detailed analysis on the drawbacks of redevelopment by exploring the systemic implications of several different phenomena. Redlining and segregation give way to underdevelopment and underinvestment. The social determinants of poverty create labels like “slum” and “blight,” which necessitate redevelopment and community revitalization. The question of how to revitalize elevates the inherent tension between place- and people-based strategies that economic developers have wrestled with for ages. In the middle, there is a war being waged between third spaces, community agency, and who has the right to community that is elevated within gentrification and corporatism. That is, should public resources be used for public or private benefit?

None of these questions are easy, but they are necessary to confront in the pursuit of how we build more inclusive communities. As government has been complicit in creating and enforcing racially restrictive covenants that led to these conditions in the first place, they must also lead the push for justice through reconciliation of these harms through the equity movement. This is best done by both modeling equitable values, incentivizing equitable behaviors, and administering consequences for those who are not willing to prioritize equity.

It is our hope that this research offers value by framing the narratives and experiences of those most impacted while also lending itself as a technical tool for civic leaders and those seeking to advance equitable outcomes. We look forward to using this research to continue our fight alongside community members, advocates, and others who desire to create avenues for responsible development practices that will reshape both Atlanta and the American South.

Glossary of Terms

Development Authority of Fulton County (DAFC)	Created by the State of Georgia in 1973, DAFC is a autonomous government agency that provides economic and community development services for Fulton County.
Displacement	The action of residents being priced out of their homes and communities, forced to move. Typically a result of gentrification/financial investment in a historically disinvested community.
Economic Inclusion	Promotes and increases equity in the distribution of income, wealth building, employment and entrepreneurship among vulnerable populations.
Food deserts	Areas with minimal or no access to affordable and healthy, fresh foods.
Food swamps	Areas with a large amount of unhealthy, highly processed, low-nutrient food options like fast food and liquor stores and minimal or no access to healthy food options.
Gentrification	The inverse phenomenon by which low-income areas begin to receive investment and redevelopment, often from investors or people of higher socioeconomic status. These vacant or undervalued properties are then purchased under what would otherwise be fair market value for the purpose of redevelopment. Once rehabilitation begins, investors ride the wave of increased demand and property tax valuation, capitalizing on the positive equity in their homes. This is often reflected in housing rehabilitation, new infrastructure and new development that raises the value of local property.
Georgia Redevelopment Powers Law	State policy passed in 1985 which grants authority to local governments to adjust property tax revenue to spur development in blighted areas. The policy includes a checklist of qualifications for blighted status to qualify an area for TIF or TAD redevelopment.
Good Jobs First	A national policy resource center promoting corporate and government accountability in economic development.
Harm	For the purposes of this research, harm is defined as the lack of change in the overall environment measured against the cost of the incentive and opportunity cost.
Invest Atlanta	The official economic development authority for the City of Atlanta, which offers funding and incentives for economic development.
Lease Purchase Bonds	A method for governments and authorities to acquire property. In the case of Invest Atlanta, the entity holds the title for a 10 year period, and enters a Memorandum of Agreement with the Fulton County Board of Assessors to assess the property. The company must submit a job creation and retention plan.
Legacy resident	A person who has lived in a community for a long time. Certain programs have different time limits of what qualifies a legacy resident, but for the purposes of this research a legacy resident is someone who has lived and invested in that community for a number of years, and often at risk of displacement.
Market failure	An inefficient allocation of resources which produces a less than optimal result. For the purposes of this research, market failure refers to the inability of a TAD to achieve its goal in increasing commercial activity in an area.
Naturally Occurring Affordable Housing (NOAH)	Multi-unit rental housing where most of the units are affordable to renters at or below 60 percent of the area median income, but unsubsidized by any state or federal funding.
NIMBY	Not in My Backyard. This sentiment refers to opposition from residents to proposed developments in their area. These residents might support the idea of the development, but are opposing because it is close to them. Concerns are often based on the project diminishing their home's value.
Opportunity Cost	The loss of potential gain from choosing an alternative. This research refers to the opportunity cost of foregone tax revenue, meaning that if governments utilize the revenue to incentivize developers/investors, those funds cannot be utilized for other community benefit such as public schools.
Property tax abatements	A type of subsidy that lowers the cost of owning real and business personal property by reducing or eliminating the taxes a company pays on it. When a company receives a property tax abatement, its taxes are abated (reduced) by a certain percentage for however long the deal lasts.
Regressive tax	A tax structure in which the tax rate decreases as the taxable income increases. The tax is applied uniformly, so higher income earners benefit and lower income earners are taxed at a greater percentage of their income. Sales tax is an example of a regressive tax.

TAD/TIF	Tax Allocation Districts (TAD), also known as Tax Increment Financing (TIF), are economic development tools designed to remediate underdeveloped areas. This financing tool is often used by local governments to support and promote eligible public and private redevelopment by spurring increases in property tax values and property tax revenue, which are generated primarily from new investment in the district.
Urban blight	Deterioration of a part of a city or town due to disinvestment, ageing, or neglect.
White flight	The action of whites moving out of areas with significant minority populations for areas with significantly less minority populations
Regressive tax	A tax structure in which the tax rate decreases as the taxable income increases. The tax is applied uniformly, so higher income earners benefit and lower income earners are taxed at a greater percentage of their income. Sales tax is an example of a regressive tax.

Appendices

Appendix A: Statement of Research

The analysis was conducted using a double-blind model. First, the team performed a statistical analysis across Block Groups to determine changes in property value between 2016–2021. The study period considers events that may begin outside of this time but are fully realized and assessed during the study period. The primary purpose of this part of the analysis was to determine if there were significant changes in the variability (i.e., standard deviation) of property value over the study period that noticeably differed by Block Group. Before conducting analyses, the raw data was cleaned and aggregated; properties with no recorded value and Block Groups with fewer than 100 properties were excluded. Next, the research was performed without examining projects that may have utilized TADs, making the model double-blind.

The main goal was to determine if any Block Groups noticeably differed in the variability of property values; we calculated a standard deviation of property value for each Block Group in each year. In addition, we examined the change (by percent) in standard deviation year over year. Finally, we performed a Mahalanobis distance analysis on those percent change values to identify which Block Groups were unique in property value variation across years. The Mahalanobis distance analysis identifies multivariate outliers, meaning it can determine which Block Groups noticeably diverge from all other Block Groups across multiple years. We selected our threshold of Block Groups that demonstrated variability that represented outliers. The outliers represent areas with the most significant changes in property value variability.

In total, 368 Block Groups were analyzed each year.[25] The outliers represent Block Groups with the most change each year and over the study period. The second part of the analysis is to examine projects. If a property fell in the Block Group during or before the target years, that project is analyzed. This analysis' secondary nature prevents the research from being led by the qualitative nature of projects. If the Block Group did not contain any projects, other variables are examined to determine the underlying effects.

Defining Minorities and Terms

To determine the impact of incentives on communities, the researchers implored Block Groups to see granular changes in income, race, and property values. Thus, it is essential to define the subjects and variables.

Block Groups are statistical divisions of census tracts, are generally defined to contain between 600 and 3,000 people and are used to present data and control block numbering.[26] A block group consists of clusters within the same census tract with the same first digit of their four-digit census block number. A Block Group usually covers a contiguous area. Each census tract contains at least one Block Group, and Block Groups are uniquely numbered within the census tract. Within the standard census geographic hierarchy. Block Groups never cross state, county, or census tract boundaries but may cross the boundaries of any other geographic entity.

Communities of color are Block Groups where more than half of the population are people of color. At the same time, non-minority communities are Block Groups where greater than half of the people are White. If a Block Group registers precisely 50% of either group, those Block Groups will be labeled influx communities.

Additionally, the Department of Housing and Urban Development (HUD) defines low- and moderate-income (LMI) communities as having income levels that fall between certain ranges, as determined by the Census Bureau.
A low-income community has a median family income of less than 50 percent of the area median income (AMI).
A moderate-income community means that the median family income is at least 50 percent and less than 80 percent of AMI.

The Block Groups which represent the minority community for this research are found in the endnotes. Minority Block Groups are largely concentrated in South Fulton, starting around downtown Atlanta, and moving south until we arrive at the Chattahoochee Hills Block Group. In addition, there are pockets of minority communities in North Fulton around Roswell and Alpharetta. When Black/African American is isolated for Block Groups, we find virtually no change in South Fulton Block Groups, showing a heavy Black/African American presence. However, there is a change in North Fulton, where the Block Groups between Roswell and Alpharetta become less shaded when Black/African American is isolated.

[25] Bureau, U., 2021. Glossary. [online] The United States Census Bureau. Available at: [Accessed 9 October 2021].

[26] Bureau, U., 2021. Glossary. [online] The United States Census Bureau. Available at: [Accessed 9 October 2021].

Thus, the Block Groups we have identified are consistent cross-sections of all minorities and not solely Black/African Americans. All other Block Groups are non-minority communities.

Mean Property Value Deviations

To meet the necessary statistical assumptions for the analyses (repeated measures ANOVA); yearly changes were tested across three years at a time rather than across all six years in one analysis. Thus, the first analyses assessed changes in mean property value from 2016–2018; the subsequent analyses tested for those changes from 2017–2019, then 2018–2020, and finally 2019–2021. Z-scores were calculated for each property in each year before any analysis was conducted.

Analyses were carried out on the z-scores in two steps. First, we conducted a primary analysis (repeated measures ANOVA with Tukey's HSD) to determine if deviations from the grand mean had noticeable differences across years and Block Groups. In short, the question is whether there is a year by Block Group interaction effect that would suggest that yearly changes in property value are noticeably different across Block Groups. Second, if the primary analysis was statistically significant, we performed secondary analyses (univariate ANOVA with Tukey's HSD) to assess differences between Block Groups in each year.

Primary analysis found a significant year by Block Group interaction effect:

2016–2018 [$F(734, 397902) = 8.60$, $p < .001$, PES = .016];

2017–2019 [$F(734, 397902) = 7.44$, $p < .001$, PES = .014];

2018–2020 [$F(734, 397902) = 7.11$, $p < .001$, PES = .013];

2019–2021 [$F(734, 397902) = 7.52$, $p < .001$, PES = .014].

Further analysis (Tukey's Homogeneous Subsets test) showed that three Block Groups noticeably deviated from other Block Groups. It is important to note that a statistical rule of thumb is that values 2.5 standard deviations from the mean are considered outliers or scores that vary exceedingly from the mean.

Block Group 131210094021 is such an outlier in two of our year ranges, while the other two Block Groups are not necessarily outliers but still are noticeably distinct from all other Block Groups (Table 1). In essence, we assigned an average to all properties and Block Groups. That average represented the sum average of all property values for Fulton County. The team determined that most properties fell reasonably close to that average. For those that fell outside of the reasonable zone, we deemed those outliers

Table 1: APS Participation in Atlanta TADs

Block Group	Outlier Rank	Percent Change by Year 2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Outlier Degree
131210026001	6	0%	325%	0%	0%	0%	4
131210086011	19	168%	-56%	-2%	129%	1%	
131210017002	5	85%	-7%	202%	139%	13%	3
131210113051	7	15%	-3%	237%	5%	-26%	
131210102053	10	142%	-64%	226%	-8%	-7%	
131210030002	11	1%	7%	214%	83%	0%	
131210031002	1	44%	644%	-3%	-1%	-2%	2
131210011002	3	143%	-59%	13%	316%	-48%	
131210069002	13	-4%	0%	0%	189%	-1%	
131210095011	15	218%	-64%	5%	161%	0%	
131210064001	16	20%	27%	15%	164%	12%	
131210012011	17	134%	201%	4%	-8%	-20%	
131210063001	18	18%	-7%	152%	-44%	30%	
131210001003	2	690%	-8%	5%	-8%	13%	1
131210103042	4	0%	14%	1%	1%	356%	
131210101142	8	402%	10%	7%	-6%	-10%	
131210014001	9	35%	-12%	26%	17%	275%	
131210120001	12	0%	0%	-48%	0%	254%	
131210112013	14	1%	2%	-3%	1%	247%	

Table 2: Yearly Percent Change in Mean Property Value

Block Group	Outlier Rank	Percent Change by Year 2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
131210087002	11	-6%	-58%	31%	57%	15%
131210040003	10	0%	11%	125%	13%	43%
131210080001	9	1%	56%	130%	4%	18%
131210061001	8	3%	204%	37%	9%	15%
131210112026	7	8%	1%	135%	4%	11%
131210112021	6	5%	0%	151%	5%	18%
131210026001	5	5%	223%	1%	1%	0%
131210065004	4	2%	233%	8%	2%	10%
131210061002	3	0%	267%	31%	9%	15%
131210086011	2	145%	-53%	15%	66%	12%
131210086022	1	115%	-53%	0%	0%	112%

Table 3: Average Percent Change in Property Value Variability Across Clusters of Block Groups

Block Group Groupings	Percent Change by Year				
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Top 10 Outliers	156%	84%	71%	46%	56%
Bottom 9 Outliers	62%	12%	37%	75%	58%
All 19 Outliers	111%	50%	55%	59%	57%
All Block Groups	25%	3%	11%	6%	12%

Additional information regarding other block groups of interested is included in Appendix B, below.

Appendix B: Breakdown of Outlier Block Groups

In the project analysis, there were several outlier Block groups across Fulton County that were not included in the primary narrative for sake of brevity and ease of reading. These areas still benefitted from surrounding development activity or proximity. Further analysis of these outliers and their associated changes and development is included in Appendix B. This section will explore conditions in these block groups to further illustrate the impact on development with migration trends across metro Atlanta.

Outlier Block Group 131210113051, which is near the **City of East Point**, experienced significant changes around 2018–2019. Unlike the previous tracts, this area is a blend of industrial, retail, and residential. This area has seen the construction of new industrial facilities, but specifically inside this Block Group, there were several rehabilitations and new commercial developments which spurred new traffic and increased property values. The City of East Point adopted a TAD for their central business district in 2001 but that TAD is not close to this area. Between 2015–2019, the area saw an increase in its minority population by 14% and saw income increase by 45%. We labeled the area a minority community due to community demographics showing the community was overwhelmingly African American (1.79% are White, 95.52% are African American, and 0.8% are Hispanic). The median household income for the study area was $45,455, compared to the state of Georgia with a median of $58,700, designating it, for our study, as a low-wealth area. In the period of 2015–2019, 56.98% of households in the study area had an annual income of less than $50,000, compared to 43.19% of people in the state of Georgia.

Outlier Block Group 131210102053 is a heavily residential area that experienced significant changes in property values. The Block Group, which resides in the **North Fulton, Sandy Springs** area, neither has a significant commercial corridor to benefit from a lease purchase bond nor does it sit in a TAD. However, during the time from 2015–2019, the Block Group saw an 8% change in household income and a 13% increase in people of color. The first jump happens around 2015–2016, coinciding with a significant residential development that transformed the area from wooded lots to large single-family homes. These homes were significantly higher than the median property values. The second jump happened around 2018, which also saw the construction of several multifamily properties around Sandy Springs Circle and the erection of the Sandy Springs Performing Arts Center, attracting significant commercial activity. Not surprisingly, we labeled this area high income due to a median income of $186,250. In the period of 2015–2019, only 5.46% of households in the study area had an annual income of less than $50,000, compared to 43.19% of people in the state of Georgia. The area is a majority community, with 96.31% of the people living in this area in between 2015–2019 identifying as White. Less than one percent (0.79%) are African American and 5.1% are Hispanic.

Outlier Block Group 131210030002 saw significant movement in the median property values in 2018–2019. The community in the center of development is, in part, fueled by the **Atlanta BeltLine**. Nonetheless, the Block Group is partially within the Atlanta Beltline TAD and is primarily concerned with construction of the Atlanta Beltline and supporting adjacent housing and mixed used developments. In 2018, Edge on the Beltline broke ground and the area has seen continuous development and redevelopment in housing and commercial space. The Beltline has been fully developed, and during the study period, the Block Group saw an increase of minority populations of 21% and a 31% increase in income.

Between 2017–2018 **Block Group 131210031002** in Reynoldstown also saw a significant jump. In the years leading up to this increase, construction was taking place on Station R, a mixed-use, multifamily development. This development represents a significant increase in the surrounding property values. These areas sit outside of all TADs. The area is 59.16% White, 37.55% African American, and 6.08% Hispanic. Between 2015–2019, the White population changed by 154.94%, the African American population by -16.41%. Yet, the area had a median household income for the study area of $37,337, compared to the state of Georgia with a median of $58,700, as estimated for 2015–2019 by the Census' American Community Survey. In the period of 2015–2019, 61.36% of households in the study area had an annual income of less than $50,000, compared to 43.19% of people in the state of Georgia. Which makes this area a non-minority, low -wealth
community.

Block Group 131210095011 sits just north of the Atlanta BeltLine TAD. This residential neighborhood sits just outside of BeltLine TAD and the construction of parts of the Northside BeltLine that took place during the study period, there was no significant development within this area. This Block Group narrowly encompasses a school, single family homes, and a city-owned golf course. However, outside of this Block Group, we see commercial residential development to the North and to the South the commercial district fall into the Beltline TAD. These properties were developed in very affluent areas, which may lessen the variability in the associated Block Groups. In terms of income, the area has shown significant increases in household income as compared to the surrounding neighborhoods. Between 2015–2019 the area saw a 38% increase in income and a 3% increase in populations of color.

Another outlier Block Group that falls in our minority community selection is **Block Group 131210017002** containing **Boulevard NE in the "Old Fourth Ward" neighborhood**. The dynamics of this Block Group follows, between 2015–2019, 24.5% are White, 75.5% are African American, 5.67% are Hispanic. Between 2015-2019, the White population changed by 168% and the African American population by -61%. This low-income area could be seen as dynamically changing considering, in the period of 2015–2019, 58.22% of households in the study area had an annual income of less than $50,000, compared to 43.19% of people in the state of Georgia but had a median income of $58,700. This was one of the spots in an area of Atlanta that has seen significant transformation. However, these areas fall just outside the Eastside TAD and likely benefited from nearby redevelopment. Looking at other variables for race and income. From 2015–2019 this Block Group saw a **168% increase in income while losing 52% of its people of color**. Significant housing, specifically affordable housing development along Boulevard has replaced long gone public housing. However, these housing developments were only a few in a Block Group which saw significant housing development. We did not detect commercial aspects to these developments. In this Block Group, new housing developments and increased incomes are the driving variables for increased variability.

Block Group 131210012011 falls out any TAD but falls in an exploding neighborhood. The area is largely residential with the highest densities. Other than the fact that people of color increased by 27% in this Block Group as well as income by 67%, this area saw new development specifically down Juniper Street. Several dense developments happened, but J5 Midtown Homes probably reset the market. J5 Midtown Homes are stacked condominiums coming onto the market between $800,000-$500,000.

For **Block Group 131210001003**, it is all about Sprouts. In 2015, Sprouts and the accompanying four-story apartments that topped it came online, forever changing the **Cheshire Bridge and Piedmont area** near Buckhead. By 2016–2017, we see a spike in property variability for the area. Technically, this development does not fall in the BeltLine TAD, but the effort of the TAD affects this development as it falls in the design and planning area. Since 2015–2019, the area saw a 30% increase in income and 13% of people of color. The area saw this without TAD contributions, however.

In amenity rich **South Fulton (Block Group 131210103042)**, assets, such as Wolf Creek Amphitheater, skeet shooting, outdoor firing ranges, and residential property make it a desirable place to live. In recent years, new residential property has been constructed. With new construction starting in the low $400,000, the property values are seeing a new explosion. The biggest changes in median value happened in 2020–2021, which is ahead of the lagging indicator of income. Reports from the 2015–2019 income decreased by 6% for the area. Persons of color increased by 12% over the same period.

In December of 2019, the bustling areas along the Atlanta BeltLine that already contains the ever-active Ponce City Market saw the activation of another mixed-use project. The BeltLine had created a demand pressure that finally made the renovation of the former Sears financially feasible. The pressure continued. The success of the BeltLine Eastside Trail and Ponce City Market helped produce over 2,500 new apartments within three miles.

Then finally, within outlier **Block Group 131210014001**, 725 Ponce is developed. The existing location contained the infamous "murder" Kroger until developers transformed the site into a mixed-use building containing a 60,000-square-foot Kroger below 360,000 square feet of Class A loft office space. The total project cost around $140 million. The only TAD which can be responsible for this project directly or indirectly is the **Atlanta BeltLine TAD**.

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