

House Bill 400

By: Representatives Frye of the 122nd, Olaleye of the 59th, Washburn of the 144th, Bell of the 75th, Roberts of the 52nd, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 12, 32, and 50 of the Official Code of Georgia Annotated, relating to
2 conservation and natural resources, highways, bridges, and ferries, and state government,
3 respectively, so as to provide for a system whereby certain local governments may seek
4 certifications from the Department of Community Affairs upon the enactment of certain
5 policies that can be used to receive priority in grant and loan applications submitted to state
6 agencies; to provide that the Department of Natural Resources give priority to certified local
7 governments in awarding grants under the federal recreational trails program; to provide that
8 certain certified local governments are not required to provide matching funds when
9 receiving grants under the local maintenance and improvement grant program; to provide that
10 the Department of Community Affairs give priority to certified local governments in
11 awarding grants and loans; to provide for the certification of local governments by the
12 Department of Community Affairs upon the enactment of certain policies; to provide for the
13 revocation of such certifications; to provide for the verification of such certifications by other
14 state agencies; to provide for the determination of population size and median household
15 income of local jurisdictions; to provide for statutory construction; to provide that the
16 Georgia Environmental Finance Authority give priority to certified local governments when
17 awarding grants and loans; to provide definitions; to provide exceptions; to provide for

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18 related matters; to provide a short title; to provide legislative findings; to provide an effective
19 date; to repeal conflicting laws; and for other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 **SECTION 1.**

22 This Act shall be known and may be cited as the "Community Housing Options Increase
23 Cost Efficiency (CHOICE) Act."

24 **SECTION 2.**

25 The General Assembly finds and declares that:

26 (1) Georgia is facing a housing crisis caused primarily by the interaction of a housing
27 supply shortage, construction labor shortage, lasting impacts from the COVID-19
28 pandemic, outdated policies and regulations, ongoing population shifts, economic stressors,
29 and market speculation;

30 (2) Such housing crisis poses serious immediate and long-term risks to the state and its
31 residents, with significant potential repercussions in arenas such as economic development,
32 homelessness, crime, poverty, health, and education, with such repercussions likely
33 compounding over time that could have intergenerational consequences;

34 (3) According to the Harvard Joint Center for Housing Studies, the cost of new home
35 construction in Georgia has risen by 35 percent between the onset of the COVID-19
36 pandemic and the current year, while affordable rentals declined by some 67,000 units, the
37 second highest drop of any state in the United States;

38 (4) The U.S. Department of Housing and Urban Development has assessed that
39 homelessness in Georgia has reversed its downward trend and begun increasing for the first
40 time since 2011;

41 (5) The National Low Income Housing Coalition has reported that housing shortages in
42 the United States have cost Americans more than 13 percent of potential GDP growth since
43 the 1960s, or nearly \$9,000.00 in annual wages per worker;

44 (6) The nonprofit research group Up for Growth found that in 2023, Georgia ranked in the
45 second highest tier of states for housing underproduction, at 138,000 units below demand,
46 an increase of more than 2,600 percent over a ten-year period; and

47 (7) Therefore, this Act is needed to increase the supply of affordable housing in the state
48 by encouraging local governments to adopt policies and reforms that will promote the
49 construction of affordable housing and reduce the burden of outdated policies and
50 regulation on housing construction and the cost of housing to Georgia's citizens.

51 **SECTION 3.**

52 Title 12 of the Official Code of Georgia Annotated, relating to conservation and natural
53 resources, is amended by adding a new Code section to read as follows:

54 "12-2-6.1.

55 (a) As used in this Code section, the term 'qualified county or municipal corporation' shall
56 have the same meaning as set forth in Code Section 50-8-310.

57 (b) Except as provided in subsection (c) of this Code section, when reviewing applications
58 from multiple qualified counties or municipal corporations for the receipt of grant funds
59 under the federal recreational trails program administered by the department, the
60 department shall:

61 (1) Give priority to any such county or municipal corporation that has been certified by
62 the Department of Community Affairs as a workforce housing ready community pursuant
63 to Code Section 50-8-311 over any such county or municipal corporation that has not
64 received any certification from the Department of Community Affairs pursuant to Code
65 Section 50-8-311;

66 (2) Give priority to any such county or municipal corporation that has been certified by
67 the Department of Community Affairs as a workforce housing ready expert pursuant to
68 Code Section 50-8-311 over any such county or municipal corporation that:

69 (A) Has not received any certification from the Department of Community Affairs
70 pursuant to Code Section 50-8-311; or

71 (B) Has been certified by the Department of Community Affairs as a workforce
72 housing ready community pursuant to Code Section 50-8-311; and

73 (3) Give priority to any such county or municipal corporation that has been certified by
74 the Department of Community Affairs as a workforce and home ownership leader
75 pursuant to Code Section 50-8-311 over any such county or municipal corporation that:

76 (A) Has not received any certification from the Department of Community Affairs
77 pursuant to Code Section 50-8-311;

78 (B) Has been certified by the Department of Community Affairs as a workforce
79 housing ready community pursuant to Code Section 50-8-311; or

80 (C) Has been certified by the Department of Community Affairs as a workforce
81 housing ready expert pursuant to Code Section 50-8-311.

82 (c) When reviewing applications from multiple counties or municipal corporations for the
83 receipt of grant funds under the federal recreational trails program administered by the
84 department, the department shall not give priority to any county or municipal corporation
85 that has received a certification from the Department of Community Affairs pursuant to
86 Code Section 50-8-311:

87 (1) Over any county or municipal corporation that does not meet the definition of a
88 qualified county or municipal corporation; or

89 (2) If doing so would be contrary to the purposes of such program or would conflict with
90 any provision of general law, the Georgia Constitution, or any applicable federal law or
91 regulation."

SECTION 4.

92
93 Title 32 of the Official Code of Georgia Annotated, relating to highways, bridges, and ferries,
94 is amended in Code Section 32-5-27, relating to allocation formula development and
95 implementation, by revising subsection (d) as follows:

96 "(d) Funds allocated for the local maintenance and improvement grant program shall
97 replace funds formerly available under the local assistance road program and state-aid
98 program and shall be allocated by the Local Grants Division of the department to local
99 governing authorities as grants or otherwise according to a funding formula developed by
100 the division and the director. Such formula shall include considerations of paved and
101 unpaved lane miles and vehicle miles traveled and may include population, employment,
102 and local funding matches available, as well as other factors as may be determined by the
103 division and the director; provided, however, that no funding matches shall be required of
104 any county or municipal corporation that has been certified by the Department of
105 Community affairs as a workforce and home ownership leader pursuant to Code
106 Section 50-8-311. Funds allocated each fiscal year for the local maintenance and
107 improvement grant program shall be not less than 10 percent nor more than 20 percent of
108 the money derived from motor fuel taxes received by the state in the immediately
109 preceding fiscal year, less the amount of refunds, rebates, and collection costs authorized
110 by law and shall be used only for the purposes available for the proceeds of such taxes.
111 Grants of such funds shall include provisions requiring adherence to adequate roadway
112 standards, accounting practices, and applicable transportation plans. Additional allocations
113 to this program from other funding sources shall be allocated subject to the requirements
114 for usage attached to such funds."

115 **SECTION 5.**

116 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
117 in Chapter 8, relating to the Department of Community Affairs, by adding a new Code
118 section to read as follows:

119 "50-8-8.1.

120 (a) As used in this Code section, the term 'qualified county or municipal corporation' shall
121 have the same meaning as set forth in Code Section 50-8-310.

122 (b) Except as provided in subsection (c) of this Code section, when reviewing applications
123 from multiple qualified counties or municipal corporations for the receipt of grant funds
124 or loans under any grant or loan program administered by the department, the department
125 shall:

126 (1) Give priority to any such county or municipal corporation that has been certified by
127 the department as a workforce housing ready community pursuant to Code
128 Section 50-8-311 over any such county or municipal corporation that has not received
129 any certification from the department pursuant to Code Section 50-8-311;

130 (2) Give priority to any such county or municipal corporation that has been certified by
131 the department as a workforce housing ready expert pursuant to Code Section 50-8-311
132 over any such county or municipal corporation that:

133 (A) Has not received any certification from the department pursuant to Code
134 Section 50-8-311; or

135 (B) Has been certified by the department as a workforce housing ready community
136 pursuant to Code Section 50-8-311; and

137 (3) Give priority to any such county or municipal corporation that has been certified by
138 the department as a workforce and home ownership leader pursuant to Code
139 Section 50-8-311 over any such county or municipal corporation that:

140 (A) Has not received any certification from the department pursuant to Code
141 Section 50-8-311;

- 142 (B) Has been certified by the department as a workforce housing ready community
143 pursuant to Code Section 50-8-311; or
- 144 (C) Has been certified by the department as a workforce housing ready expert pursuant
145 to Code Section 50-8-311.
- 146 (c) When reviewing applications from multiple counties or municipal corporations for the
147 receipt of grant funds or loans under any grant or loan program administered by the
148 department, the department shall not give priority to any county or municipal corporation
149 that has received a certification from the department pursuant to Code Section 50-8-311:
- 150 (1) Over any county or municipal corporation that does not meet the definition of a
151 qualified county or municipal corporation; or
- 152 (2) If doing so would be contrary to the purposes of the grant or loan program or would
153 conflict with any provision of general law, the Georgia Constitution, or any applicable
154 federal law or regulation."

155 **SECTION 6.**

156 Said chapter is further amended by adding a new article to read as follows:

157 "ARTICLE 14

158 50-8-310.

159 As used in this article, the term:

- 160 (1) 'Accessory dwelling unit' means an independent residential dwelling unit that is
161 located on the same lot as a single-family home or duplex, regardless of whether such
162 independent residential dwelling unit is attached or detached from the single-family home
163 or duplex.

- 164 (2) 'Cottage courtyard' means a series of attached or detached independent residential
165 dwelling units, each of which do not exceed 1,600 square feet and that share a common
166 outdoor amenity space.
- 167 (3) 'Duplex' means a single building that has two separate residential dwelling units.
- 168 (4) 'Flag lot' means a lot which has access to a public right-of-way by means of a narrow
169 strip of land, which is part of the lot.
- 170 (5) 'Higher density housing facility' means a multifamily structure that has a maximum
171 allowable number of residential dwelling units that is 10 percent higher than the current
172 highest maximum allowable number of residential dwelling units for a multifamily
173 structure within the jurisdiction.
- 174 (6) 'Household income' means all wages and income received by each member of a
175 household from all sources.
- 176 (7) 'Mixed use development' means a multifamily structure that also contains one or
177 more commercial units.
- 178 (8) 'Multifamily structure' means a building, other than a townhouse, that contains four
179 or more individual residential dwelling units.
- 180 (9) 'Qualified county or municipal corporation' means:
- 181 (A) Any county in this state that has a population of at least 50,000 or any municipal
182 corporation in this state that has a population of at least 6,500, each as determined by
183 the department pursuant to Code Section 50-8-313; or
- 184 (B) Any county or any municipal corporation in this state that has a median household
185 income of more than \$115,000.00, as determined by the department pursuant to Code
186 Section 50-8-313.
- 187 (10) 'Qualifying policy' means any tier 1 policy, tier 2 policy, tier 3 policy, or tier 4
188 policy.
- 189 (11) 'Single-family home' means a building that constitutes a single residential dwelling.

190 (12) 'Small multifamily structure' means a multifamily structure with between four and
191 eight individual residential dwelling units.

192 (13) 'Tier 1 policy' means a policy that:

193 (A) Imposes a minimum heated square footage requirement for residential dwellings
194 of 1,200 square feet or less in at least 50 percent of the area of the jurisdiction zoned
195 for residential use;

196 (B) Imposes a minimum heated square footage requirement for residential dwellings
197 of 1,200 square feet or less in all of the area of the jurisdiction that is zoned for
198 residential use;

199 (C) Permits the construction of a duplex on any parcel of land where the construction
200 of a single-family home is permitted;

201 (D) Imposes a minimum lot size requirement for land that is zoned for residential use
202 that is no greater than:

203 (i) The minimum lot size required by the rules and regulations of the Department of
204 Health for lots with on-site, nonpublic sewage management systems;

205 (ii) The minimum lot size required to comply with the requirements of Code
206 Section 12-5-134 for lots with private water wells; and

207 (iii) One-half acre for lots with access to public water supply and public sewage
208 management systems;

209 (E) Permits the use of all building materials that meet the standards of the International
210 Residential Code in the construction of new residential dwellings; or

211 (F) Permits the construction of an accessory dwelling unit on any parcel of land where
212 a single-family home exists.

213 (14) 'Tier 2 policy' means a policy that:

214 (A) Commissions a housing study to determine the need for the construction of
215 single-family homes and multifamily structures within the jurisdiction;

- 216 (B) Permits the construction of townhomes in any area that is zoned for single-family
217 residential use;
- 218 (C) Permits the construction of cottage courtyards in any area that is zoned for
219 single-family residential use;
- 220 (D) Permits the creation of residential subdivisions with flag lots;
- 221 (E) Reduces the minimum road frontage requirements applicable to residential lots;
- 222 (F) Permits the construction of small multifamily structures in any area that is zoned
223 for residential use;
- 224 (G) Permits the construction of higher density housing facilities in areas that are served
225 by public transit and that are near places of employment, higher education facilities, and
226 other appropriate population centers, as determined by the governing body of the
227 jurisdiction;
- 228 (H) Permits the construction of multifamily structures or mixed use developments in
229 all areas zoned for commercial use; or
- 230 (I) Permits the use of single-stair construction in multifamily structures with up to five
231 stories.
- 232 (15) 'Tier 3 policy' means a policy that:
- 233 (A)(i) Imposes a minimum parking requirement of no more than one parking space
234 per residential dwelling unit for multifamily structures that are not served by public
235 transit; and
- 236 (ii) Imposes no minimum parking requirements for multifamily structures that are
237 served by public transit;
- 238 (B) Supports community land trusts that secure land for affordable housing
239 developments and that allow participation from community residents in the decision
240 making process of such land trust;
- 241 (C) Applies the International Residential Code to residential buildings that contain no
242 more than four individual residential dwelling units;

243 (D) Imposes no setback requirements on residential dwellings or decreases the
244 minimum setback requirements applicable to residential dwellings by at least 25
245 percent;

246 (E) Imposes no height restrictions on residential and commercial structures or increases
247 the height restrictions applicable to residential and commercial structures by at least 25
248 percent;

249 (F) Imposes no density limits on areas zoned for residential or commercial use or
250 increases the density limits applicable to areas zoned for residential or commercial use
251 by at least 25 percent;

252 (G) Imposes processing time limits on applications for building permits;

253 (H) Reduces any permit or regulatory fee applicable to the construction of accessory
254 dwelling units or multifamily structures by at least 25 percent;

255 (I) Establishes an online platform for the submission and processing of building permit
256 applications; or

257 (J) Commissions a study to assess whether the current permit or regulatory fees
258 applicable to the construction of residential dwellings reflect the cost incurred by the
259 jurisdiction in processing such permit applications or carrying out such regulatory
260 procedures.

261 (16) 'Tier 4 policy' means a policy that:

262 (A) Permits the construction of multifamily residential structures in any area that is
263 zoned for residential use;

264 (B) Establishes measurable goals for the construction of affordable housing based on
265 projected population growth and regional job creation;

266 (C) Imposes no maximum lot coverage applicable to residential dwellings or increases
267 the maximum lot coverage applicable to residential dwellings by at least 25 percent;

268 (D) Does not require the creation of a homeowners' association, property owners'
269 association, or condominium owners' association for any new residential development;

270 (E) Streamlines the process of approving minor changes to construction plans for
271 residential developments;

272 (F) Creates or joins a local land bank pursuant to Article 6 of Chapter 4 of Title 48;

273 (G) Encourages the collaboration with neighboring counties and municipal
274 corporations and nonprofit organizations in addressing regional housing needs; or

275 (H) Creates a public-private partnership with local businesses to reduce the land
276 acquisition costs on housing developments.

277 (17) 'Townhouse' means an individual residential dwelling unit within a larger structure
278 that contains two or more attached residential dwelling units constructed in a row where
279 each residential dwelling unit is located on an individual lot or parcel and shares at least
280 one common wall with an adjacent unit.

281 50-8-311.

282 (a) On or after July 1, 2026, and for the purpose of receiving priority in grant or loan
283 applications submitted to certain state agencies, any qualified county or municipal
284 corporation may, but is not required to, apply for certification from the department that
285 such county or municipal corporation is either a workforce housing ready community, a
286 workforce housing ready expert, or a workforce and home ownership leader. The
287 department shall, by rules and regulations, prescribe the form and manner of such
288 application for certification.

289 (b) The department shall only certify a qualified county or municipal corporation as a:

290 (1) Workforce housing ready community if such county or municipal corporation has
291 adopted, by ordinance or resolution, at least ten qualifying policies of which at least two
292 are tier 1 policies, at least three are tier 2 policies, and at least one is a tier 3 policy;

293 (2) Workforce housing ready expert if such county or municipal corporation has adopted,
294 by ordinance or resolution, at least 15 qualifying policies of which at least two are tier 1
295 policies, at least three are tier 2 policies, and at least one is a tier 3 policy; and

296 (3) Workforce and home ownership leader if such county or municipal corporation has
297 adopted, by ordinance or resolution, at least 20 qualifying policies of which at least two
298 are tier 1 policies, at least three are tier 2 policies, and at least one is a tier 3 policy.

299 (c) Upon submission of an application by a qualified county or municipal corporation
300 evidencing that such county or municipal corporation has adopted, by ordinance or
301 resolution, the requisite number of qualifying policies as set forth in subsection (b) of this
302 Code section, the department shall issue the appropriate certification to such county or
303 municipal corporation. Thereafter, to maintain such certification, such county or municipal
304 corporation shall, every five years, verify in writing to the department that the requisite
305 number of qualifying policies as set forth in subsection (b) of this Code section are still in
306 effect in such county or municipal corporation.

307 (d) The department may revoke a certification issued to a qualified county or municipal
308 corporation pursuant to this Code section if it determines that such county or municipal
309 corporation no longer has in effect the requisite number of qualifying policies as set forth
310 in subsection (b) of this Code section or if such county or municipal corporation fails to
311 verify in writing to the department every five years that such policies are still in effect.

312 (e)(1) A qualified county or municipal corporation that has been certified as a workforce
313 housing ready community may, upon adoption of the requisite number of qualifying
314 policies as set forth in subsection (b) of this Code section, apply to the department for
315 certification as either a workforce housing ready expert or a workforce and home
316 ownership leader.

317 (2) A qualified county or municipal corporation that has been certified as a workforce
318 housing ready expert may, upon adoption of the requisite number of qualifying policies
319 as set forth in subsection (b) of this Code section, apply to the department for certification
320 as a workforce and home ownership leader.

321 50-8-312.

322 Any state agency considering a grant or loan application from a qualified county or
323 municipal corporation may inquire from the department whether such qualified county or
324 municipal corporation has been certified by the department pursuant to this article. Within
325 a reasonable time after receiving such an inquiry, the department shall verify to such
326 agency whether such county or municipal corporation has a valid certification issued by
327 the department pursuant to this article.

328 50-8-313.

329 (a) On and after January 1, 2026, the department shall annually determine and publish on
330 its public website the:

331 (1) Median household income of each county and each municipal corporation in this
332 state; and

333 (2) Population of each county and each municipal corporation in this state.

334 (b) In making determinations of the median household income and the population of each
335 county and each municipal corporation in this state pursuant to subsection (a) of this Code
336 section, the department may rely on data and information provided by the United States
337 Census Bureau, the United States Department of Housing and Urban Development, the
338 United States Department of Labor, the United States Department of Commerce, and any
339 other source the department determines to be accurate and reliable.

340 (c) The median household income and the population of each county and each municipal
341 corporation in this state determined and published by the department pursuant to subsection
342 (a) of this Code section shall be used to determine whether a given county or municipal
343 corporation in this state meets the definition of a qualified county or municipal corporation
344 under this article.

345 50-8-314.

346 The department is authorized to promulgate rules and regulations to implement the
347 provisions of this article.

348 50-8-315.

349 Nothing in this article is intended to authorize counties or municipal corporations to adopt
350 or enforce any ordinance or resolution that is contrary to the provisions of general law, the
351 Georgia Constitution, or any applicable federal law or regulation. To the extent any
352 qualifying policy now or hereinafter conflicts with the provisions of general law, the
353 Georgia Constitution, or any applicable federal law or regulation, such policy shall no
354 longer constitute a qualifying policy and shall not be used to determine whether a qualified
355 county or municipal corporation may be certified, or continue to be certified, by the
356 department under the provisions of this article."

357 **SECTION 7.**

358 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
359 in Chapter 23, relating to the Georgia Environmental Finance Authority, by adding a new
360 Code section to read as follows:

361 "50-23-5.1.

362 (a) As used in this Code section, the term:

363 (1) 'Department' means the Department of Community Affairs.

364 (2) 'Qualified county or municipal corporation' shall have the same meaning as set forth
365 in Code Section 50-8-310.

366 (b) Except as provided in subsection (c) of this Code section, when reviewing applications
367 from multiple qualified counties or municipal corporations for the receipt of any grant
368 funds or loans from the authority as authorized by this chapter, the authority shall:

369 (1) Give priority to any such county or municipal corporation that has been certified by
370 the department as a workforce housing ready community pursuant to Code
371 Section 50-8-311 over any such county or municipal corporation that has not received
372 any certification from the department pursuant to Code Section 50-8-311;

373 (2) Give priority to any such county or municipal corporation that has been certified by
374 the department as a workforce housing ready expert pursuant to Code Section 50-8-311
375 over any such county or municipal corporation that:

376 (A) Has not received any certification from the department pursuant to Code
377 Section 50-8-311; or

378 (B) Has been certified by the department as a workforce housing ready community
379 pursuant to Code Section 50-8-311; and

380 (3) Give priority to any such county or municipal corporation that has been certified by
381 the department as a workforce and home ownership leader pursuant to Code
382 Section 50-8-311 over any such county or municipal corporation that:

383 (A) Has not received any certification from the department pursuant to Code
384 Section 50-8-311;

385 (B) Has been certified by the department as a workforce housing ready community
386 pursuant to Code Section 50-8-311; or

387 (C) Has been certified by the department as a workforce housing ready expert pursuant
388 to Code Section 50-8-311.

389 (c) When reviewing applications from multiple counties or municipal corporations for the
390 receipt of any grant funds or loans from the authority as authorized by this chapter, the
391 authority shall not give priority to any county or municipal corporation that has received
392 a certification from the department pursuant to Code Section 50-8-311:

393 (1) Over any county or municipal corporation that does not meet the definition of a
394 qualified county or municipal corporation; or

