

The House Committee on Governmental Affairs offers the following substitute to HB 400:

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28 pandemic, outdated policies and regulations, ongoing population shifts, economic stressors,  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."

## SECTION 5.

115  
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, 2027, 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, 2027, 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

