

**ATLANTA DEVELOPMENT AUTHORITY
HOUSING OPPORTUNITY BOND
QUARTERLY REPORT**

DATE: MAY 18, 2009

TO: ATLANTA CITY COUNCIL

FROM: ERNESTINE W. GAREY, MANAGING DIRECTOR, HOUSING FINANCE

CC: MAYOR SHIRLEY FRANKLIN
ATLANTA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS
PEGGY MCCORMICK, PRESIDENT, ADA
ATLANTA HOUSING OPPORTUNITY, INC.
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DEVELOPMENT

TERRI LEE, DEPUTY COMMISSIONER OF PLANNING AND COMMUNITY
DEVELOPMENT

EVELYN NU'MAN, DIRECTOR OF BUREAU OF HOUSING

May 18, 2009

Dear City Councilmembers:

ADA continues to be actively engaged in implementation of the Housing Opportunity Bond Program. As you recall, the city approved the initial issuance of \$35 million two years ago to incentivize workforce housing efforts.

We are proud of our successes to date, despite a challenging economic environment. 487 units of workforce housing have been produced with \$14,702,431 in Opportunity Fund dollars. This has leveraged **\$82,691,443 in private dollars**, a 5:1 ratio.

We all are acutely aware that the creation of homeownership and rental housing choices provides significant economic benefit to Atlanta, including creating construction jobs, encouraging business retention, generating taxes and increasing activity with our local businesses.

With the city benefitting from recent stimulus funding with the Neighborhood Stabilization Program, there is no better time to leverage all of our resources to positively impact the number of workforce housing units produced.

As always, we appreciate your continued support with this great initiative.

Sincerely,

Ernestine W. Garey
Managing Director, Housing Finance

MORTGAGE ASSISTANCE PROGRAM ALLOCATION - \$10,710,905

Last year ADA blazed trails making homeownership dreams come true with Home Atlanta. This year several challenges were encountered due to the current economy that has taken its toll on the bond market. We were unsuccessful early this year in issuing single family first mortgage bonds due to unfavorable pricing in the bond market. Instead staff became creative and decided to partner with ADA's preferred lenders to allow borrowers to use the lenders' first mortgage program while providing very attractive fixed interest rates as low as 4.75%. Borrowers still receive 10% down payment assistance towards their home purchase without which they could not afford to buy. The Opportunity Down Payment assistance program continues to stand the test of time in an uncertain economy while making sure that everyone has an opportunity to live the dream.

Through March 2009, the program has brought over 244 new residents to our great city; helping a total of 310 people live the dream of homeownership in nearly every quadrant Atlanta.

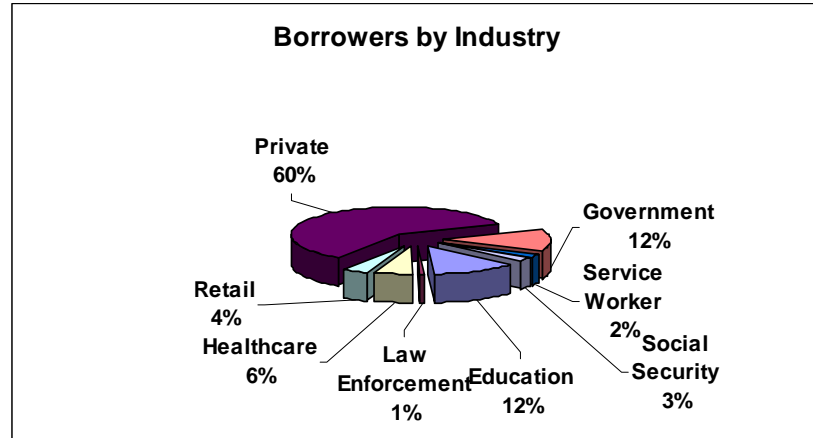


PROGRAM PROFILE

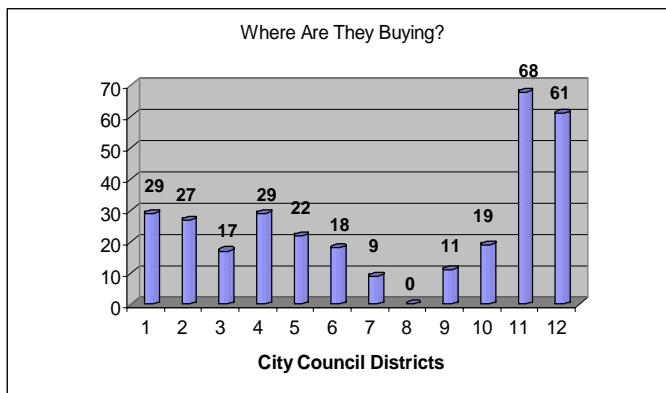
THE FACTS

Closed Loans – New Construction	163
Closed Loans – Existing	147
Opportunity Funds Expended	\$7,120,240
Private Investment Leveraged	\$42,691,443
Average Family Income	\$46,791
Average Family Size	1.5
Average Sales Price	\$165,185

WHERE THEY WORK



THE DISTRICTS



HOW MUCH THEY EARN

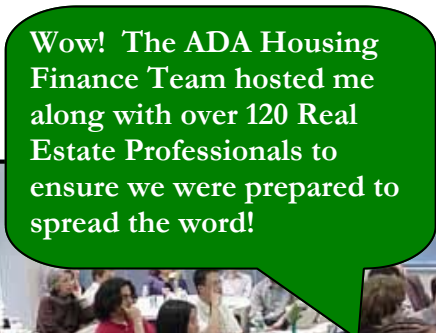
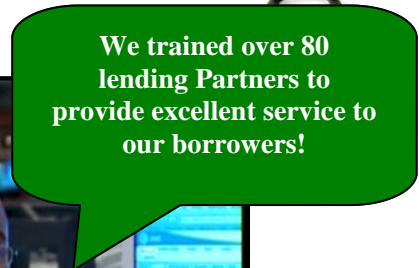
HOME Atlanta Borrowers by Area Median Income	
30% AMI (\$21,350 & Below) =7	50% AMI (\$21,351-\$35,600)=55
60% AMI (\$35,601-\$42,720) =63	80% AMI (\$42,721-\$56,950)=123
100% AMI (\$56,951-\$71,200) =53	115% AMI (\$71,201-\$81,850)=9

MARKETING HOME ATLANTA

In the 1st Quarter of 2009 our marketing efforts were targeted on re-introducing the Opportunity Down Payment Assistance program which included taking our message to the people who needed to hear it. Training and information sessions were held with over 200 partners ensure that the community partners were well informed and could be spokespersons to aid in our initiative.



Our very own Clyde Anderson, Single Family Mortgage Manager, has frequently been a featured speaker on CNN providing insight on mortgage issues of the day.



ENTERPRISE FOUNDATION LAND ASSEMBLAGE ALLOCATION - \$5,000,000



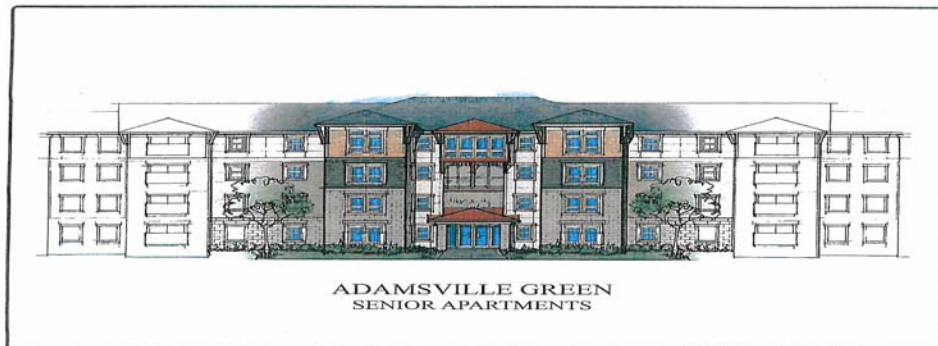
During the first quarter of 2009 the Enterprise Community Loan Fund did not receive any applications for land acquisition funding. At the end of 2008 two projects were approved totaling \$1,588,000. These funds were used to acquire land for development of townhomes in the Reynoldstown and Mechanicsville communities. The total amount remaining in the pool for future acquisitions is \$3,412,000. The fund was capitalized with \$25.5 million from members of the partnership. The fund is available to both for profit and non profit developers.

Senior Program Director for Lending at the Enterprise Foundation, Rob Hammock states, "Amidst the challenging credit environment for housing development, the Atlanta Acquisition Pool continues to be an available tool in the developer's financing arsenal. The bar to getting financing has risen, but we have capital available to lend for good projects with committed subsidy and a strong and experienced team." We are anticipating that as the market rebounds we will see applicants for the acquisition pool increase."

MULTIFAMILY LOAN ALLOCATION - \$4,200,000

The multifamily loan program experienced a reduction in the number of applicants for funding this quarter. The Housing Opportunity Bonds are used as gap financing and developers are having serious challenges in securing a first mortgage for their developments.

At the end of last year ADA had given preliminary approval to four projects which needed the Housing Opportunity Bond funds to fill the gap in their sources. However, due to unprecedented challenges in the capital markets, three of the four projects were unable to secure first mortgages. However, Adamsville Green Senior Apartments, a development of Progressive Redevelopment Inc. was able to secure a 9% tax credit allocation from the Georgia Department of Community Affairs last fall and will move forward toward closing early this summer. Adamsville Green has as its primary source of funding equity from its tax credit syndicator, a loan from the Atlanta Housing Authority and the Housing Opportunity Bond Fund.



ADAMSVILLE GREEN SENIOR APTS

- 3537 Martin Luther King Jr. Drive
- \$900,000 in Housing Opportunity Bond
- Acquisition and new construction of 90 units
- Total Development Cost is \$19,438,000
- 90% affordable units; 10% market units
- Units will be affordable for Seniors 62 and older at or below 60% of AMI
- NPU H

ATLANTA HOUSING AUTHORITY ALLOCATION - \$7,500,000

Amon Martin, Senior Development Director for the Integral Group recently remarked that “the Housing Opportunity Bond funds earmarked for the public improvements for Collegetown at West End have been a tremendous funding source for completing the needed sidewalks, landscaping and street improvements in this development.” These funds coupled with funds from the city of Atlanta’s water and sewer bond funds and quality of life bonds have served to bridge the gap in infrastructure funding for this community. Collegetown at West End is a multi-phase/mixed-use master planned community for 35+ acres of the Atlanta Housing Authority’s former Harris Homes public housing development. It is located along Joseph Lowery Boulevard in the West End neighborhood directly across from the Morehouse College Edwin Moses Stadium and the new Ray Charles Center of Performing Arts at Morehouse College. Of the \$7,500,000 that is allocated to these infrastructure improvements, \$2,582,243 has been expended and the construction is scheduled to be completed by December 31, 2009.



**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
ALLOCATION - \$1,945,656**



Community Housing Development Organizations also known as CHDO’s have been seriously impacted by the economic recession and the implementation of more stringent lending requirements by financial institutions. During the first quarter of 2009, ADA did not receive any applications for funding affordable housing; however the Authority has continued to meet with CHDOs and other funders to collaborate on funding opportunities.