

The logo for the Atlanta Development Authority (ADA) features the letters "ADA" in a white, sans-serif font on a dark grey rectangular background.

Atlanta Development Authority

FOR IMMEDIATE RELEASE

November 17, 2009

Contact: Sonya Moste, Director of Marketing and Public Relations

Phone: 404.614.8281

E-mail: smoste@atlantada.com

Neighborhood Stabilization is Key for Atlanta's Hardest Hit Communities

Ensuring that Atlanta's residential neighborhoods are stable and thriving is a priority for the Atlanta Development Authority. Based on the 2007 U.S. Census, the city of Atlanta's home ownership rate is estimated to be 50 percent. This is one of the most telling indicators that can predict whether a neighborhood is on its way up or down. Generally speaking, the more owner-occupied homes (versus renter-occupied or vacant) a neighborhood has, the more stable the community is. Unfortunately, because of recent foreclosures and more stringent lending requirements, the home ownership rate in Atlanta could very likely decline.

Recognizing that two of the biggest obstacles to home ownership are household income and the ability to make a downpayment, the ADA is ramping up its mortgage assistance programs and pursuing federal dollars in order to expand its program.

Through its HOME Atlanta program, the ADA has provided downpayment assistance to nearly 400 families since 2007. Our housing finance department is currently closing eight to 10 loans a week as prospective buyers scramble to take advantage of the deflated real estate market and the \$8,000 federal tax credit for first-time homebuyers, with a deadline recently extended until April 30, 2010.

ADA targets its programs to middle-income working families. The average family income among program participants has been \$46,500, and the average purchase price of homes that have closed has been \$161,200. People are buying single-family detached houses, as well as townhomes and condos.

What makes a \$161,000 home affordable to someone earning just \$46,000 is that the homebuyer can take out a smaller loan since the development authority is subsidizing the downpayment. This reduces their monthly payment to somewhere around 35 percent of their income and allows them to qualify for a conventional 30-year, fixed rate mortgage.

Based on an analysis of where the homes are located, the most popular neighborhoods are Greenbriar/Campbellton Road (NPU R), those around Lakewood Amphitheater, Downtown/Old Fourth Ward (NPU M), South Atlanta/Amal Heights (NPU Y), and the historic neighborhoods around Turner Field (NPU V). The kinds of jobs the buyers have are what one might expect; teachers, healthcare workers, government workers and retail/hotel/restaurant managers. Unfortunately, only one percent of the 400 closings have included law enforcement officers. The ADA would like to see more police officers and firefighters participating in the program and is working with the Atlanta Police Foundation to help increase awareness.

Buyers can learn about the program by downloading ADA's housing brochure at www.AtlantaDA.com or by contacting a real estate agent that serves the city of Atlanta.