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

DATE: APRIL 10, 2008

TO: ATLANTA CITY COUNCIL

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

CC: MAYOR SHIRLEY FRANKLIN

ATLANTA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS

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ATLANTA HOUSING OPPORTUNITY, INC.

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April 10, 2008

Dear City Council Members:

As you will recall, in the spring of 2007, the Atlanta City Council approved the creation of the Housing Opportunity Bond Fund (“HOB”) enabling the issuance by the Urban Residential Finance Authority of \$35 million as the first of three series of bonds.

The Atlanta Development Authority (ADA) has overall implementation responsibilities. The funds have targeted the creation of new affordable workforce housing units and preservation of our existing housing through several program components: mortgage assistance, multifamily gap financing, direct land acquisition, home builder incentives, loans for community housing development organizations (CHDOs) and support of public infrastructure improvements for the Collegetown at West End development.

Since program inception, 332 units of workforce housing have been produced with \$12,459,115 in Opportunity Fund dollars. This has leveraged \$65,879,212, a 5:1 ratio of private investment.

In today’s volatile housing market, this program continues to be the Atlanta’s number one tool for increasing the production of workforce housing. We are excited to share these successes and look forward to continuing to provide a variety of housing options for Atlanta’s residents.

Sincerely,

Ernestine W. Garey

Managing Director, Housing Finance

MORTGAGE ASSISTANCE PROGRAM ALLOCATION - \$7,610,905

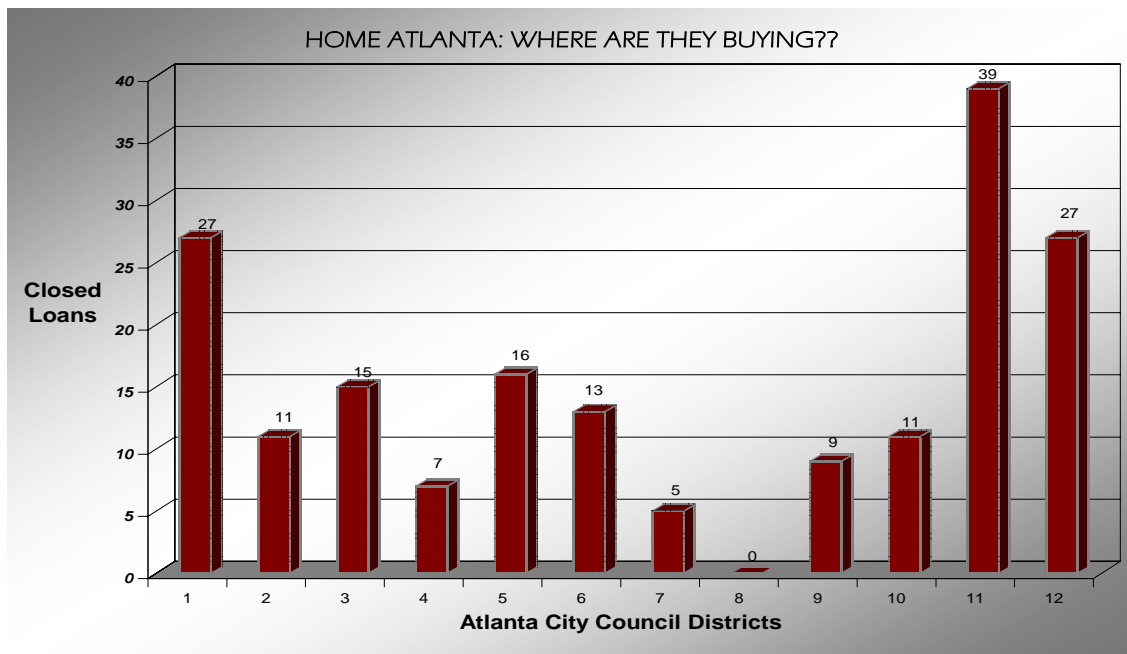
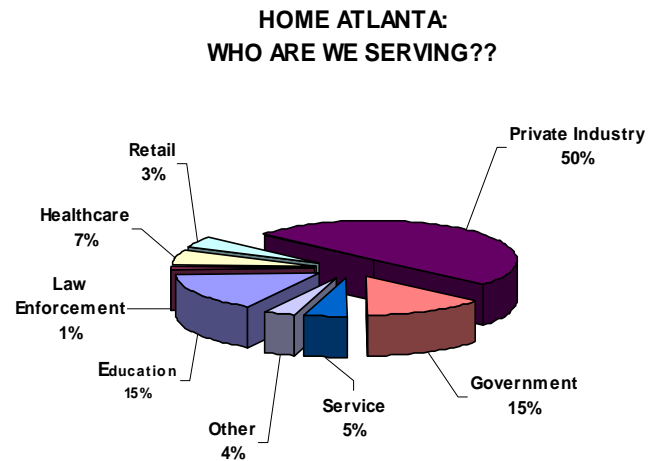
Almost a year ago, ADA launched the HOME Atlanta program, the first single family first mortgage program in over seven years. The HOME Atlanta program provides a 30-year fixed-rate mortgage, currently at 6.25% with a 4% grant.

Eligible buyers receive 10% downpayment assistance from the Housing Opportunity Fund.

Through March 2008, ADA has closed 180 loans in nearly every quadrant of the City with another 100 expected to close before year's end.

PROGRAM PROFILE

Closed Loans – New Construction	95
Closed Loans – Existing	85
Opportunity Funds Expended	\$4,876,924
Private Investment Leveraged	\$25,879,212
Average Family Income	\$46,346
Average Family Size	1.5
Average Sales Price	\$174,654



TESTIMONIALS



Kim Smith, the first APS teacher to take advantage of HOME Atlanta

Kim Smith, an Atlanta Public School kindergarten teacher and single mother of two, purchased her first home in the **Cascade Parc** subdivision located in southwest Atlanta. “I’m thankful because there are programs out there to help low-income families or single moms,” Ms. Smith, a native of Atlanta, remarked. “Truly, I could not have [bought this house] without this program.”

Diversity, Inc., a national publication, has recognized the uniqueness of this workforce housing program and its impact on the City of Atlanta and will feature Ms. Smith’s story in its April edition.

Bianca Whatley is one of 25 government employees that has taken advantage of the HOME Atlanta Program. Bianca, senior administrative assistant to Mayor Shirley Franklin, heard about the program through advertisements and the Homebuyer Fair held in the City Hall atrium. Bianca, a single mom, was eligible for more than \$34,000 in downpayment assistance toward the purchase of her three-bedroom, two-bathroom historic home in **Adair Park**. According to Bianca, “HOME Atlanta



gave me the support I needed to afford the type of home I wanted without looking outside the City.”

When asked about the Home Atlanta process, Bianca commented, “Basically, it is easy. You find a home, obtain a loan through the participating banks, complete your paperwork and requirements and submit your request. In less than two weeks I received my approval and moved into my new home.”

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

Acquiring suitable and affordable land for housing development in the City of Atlanta has become increasingly difficult and challenging. This situation is due to a number of factors, including rapidly increasing land values in many neighborhoods. The City of Atlanta, Enterprise and the Atlanta Community Renewal Authority (ACORA) have partnered to address this issue. Enterprise serves as the manager of this \$25.5 million loan pool of capital. This fund to finance the acquisition and assemblage of land and buildings for affordable development was established for nonprofit developers as well as for-profit developers working in partnership with nonprofit organizations.

Capital Structure	\$ 5.0 million	City of Atlanta Opportunity Bond
	\$ 3.5 million	ACORA
	\$ 5.0 million	SunTrust Bank
	\$ 6.0 million	Wachovia Bank
	<u>\$ 6.0 million</u>	Living Cities
Total	\$25.5 million	

As of first quarter 2008, Enterprise has received ten applications requesting a total of \$9,583,600 in funding.

MULTIFAMILY LOAN ALLOCATION - \$5,000,000



The multifamily loans are structured as second mortgage loans and used as “gap financing”. Eligible project costs include new construction, acquisition, rehabilitation or conversion.

As of first quarter 2008, ADA has received applications for *Amal Heights Townhomes* and *EdgeVue* housing developments.

These applications total \$2.2 million in potential funding.

AMAL HEIGHTS TOWNHOMES

- 1700 Giben Road (off Pryor Road)
- \$1.1 million in HOB Fund
- Acquisition and substantial rehabilitation
- 192 total units
- 75% affordable rents; 25% market rents
- Affordable units will serve families at or below 60% of median income
- NPU: Y

EDGEVUE

- 375 Gartrell Street, NE (Old Fourth Ward)
- \$1.1 million in HOB Fund
- Acquisition and new construction
- 150 total units
- 20% affordable rents; 80% market rents
- Affordable units will serve families at or below 50% of median income
- NPU: M

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

CollegeTown at West End is a multi-phase/mixed-use revitalization plan for the 35+ acres of the Atlanta Housing Authority's former Harris Homes public housing development. The master plan of the new community developed by the Integral Group in conjunction with the Atlanta Housing Authority will consist of approximately 650 units of both senior and multifamily apartments, 15,000 square feet of retail and commercial space, 70 townhomes and single-family homes for ownership, a 100-room college inn and housing units for special needs households.

\$7,500,000 of Housing Opportunity Bond Funds has been earmarked to support Phase I and Phase II public infrastructure improvements. These funds will be leveraged with funds from the City of Atlanta's water sewer bond funds, quality of life bonds and other sources.



To date, \$2,582,191 has been expended, representing 152 units. With construction of Phase II beginning in June 2008, the balance is anticipated to be fully expended by year's end, producing a total of 420 affordable workforce housing units.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ALLOCATION - \$2,846,600



Housing Opportunity Bond Fund proceeds are available to Community Housing Development Organizations (CHDOs) to finance in part the acquisition, construction, or renovation of multifamily and single-family housing for low and moderate income families. Loans are available at below-market interest rates ranging from 1%-3%.

ADA staff has launched a strategic outreach campaign to the ten CHDOs designated by the City of Atlanta Bureau of Housing. This has included meetings with each individual

CHDO to discuss development plans and program requirements as well as joint sessions with technical assistance from the City Bureau of Housing staff. ADA continues to work collaboratively to encourage development efforts.

Within the next 60 days, ADA anticipates receiving two applications for multifamily project funding. **The two projects, totaling loan requests of \$400,000, would provide up to 16 units of workforce housing.**

LAND ASSEMBLAGE PROGRAM ALLOCATION - \$500,000

The Department of Planning and Community Development is currently developing a proposal for the use of these funds to acquire vacant and abandoned properties for repositioning.