

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

DATE: NOVEMBER 6, 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

November 6, 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. A total of 587 units of workforce housing have been produced with \$17,213,854 in Opportunity Fund dollars. This has leveraged \$91,827,958 in private dollars, a 5:1 ratio.

The creation of homeownership and rental housing choices provides significant economic benefit to Atlanta, including construction jobs, encouraging business retention, increasing our tax base and generating activity with our local businesses.

Combined with recent stimulus funding through the Neighborhood Stabilization Program (NSP), we see this as an opportune time to leverage all of our resources to positively impact residential growth in Atlanta.

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 we have encountered several challenges, due to the current economy, that have negatively impacted 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, receiving very attractive fixed interest rates as low as 4.75%. Borrowers still receive 10% downpayment assistance towards their home purchase, without which they could not afford to buy. The Opportunity Downpayment Assistance Program (ODAP) continues to stand the test of time in an uncertain market. Over the past few months loan activity has spiked, largely due to the popularity of the \$8,000 federal tax credit for homebuyers.

As of September 2009, the Opportunity Downpayment Assistance program had created housing opportunities for 382 new residents in the city of Atlanta.

MARKETING HOME ATLANTA

Earlier in the year, ADA kicked its marketing efforts into high gear. For the second year, ADA's Housing Finance team was instrumental in planning and presenting the Housing Summit, a half-day homeownership workshop created to provide all the tools buyers will need to make an informed purchase decision. Because of the efforts of ADA, the city's Bureau of Housing and other housing partners such as HUD, Fannie Mae, Freddie Mac, the Atlanta Board of Realtors, and our housing counseling agencies, more than 2000 individuals attended this successful event and received vital information to assist them in becoming homeowners. In addition, ADA worked with The Need Service to provide counseling to city of Atlanta police officers in a combined-precinct home purchase training session. This event was taped and can be viewed in all police precincts. The marketing strategy for the Home Atlanta program did not stop there. The ADA team was instrumental in helping our marketing department create our new "Come Home to Atlanta" brochure. Print copies have been issued at numerous marketing events, realtor trade shows, and city forums. The online version has been very popular for visitors to our website and has had a record number of downloads.



2009 Housing Summit



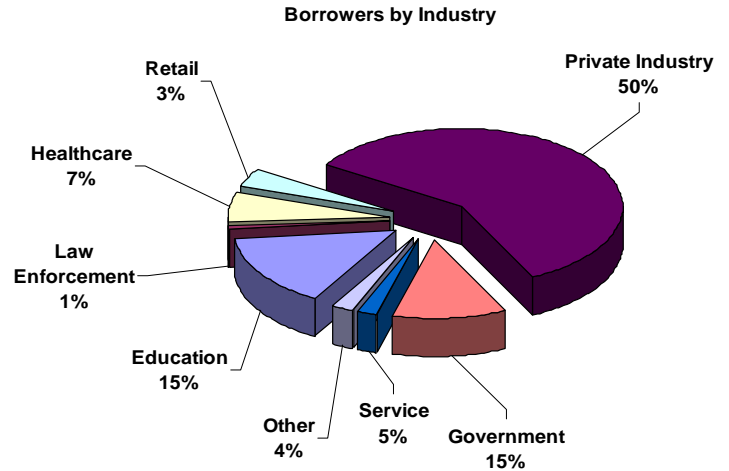
Housing Brochure

PROGRAM PROFILE

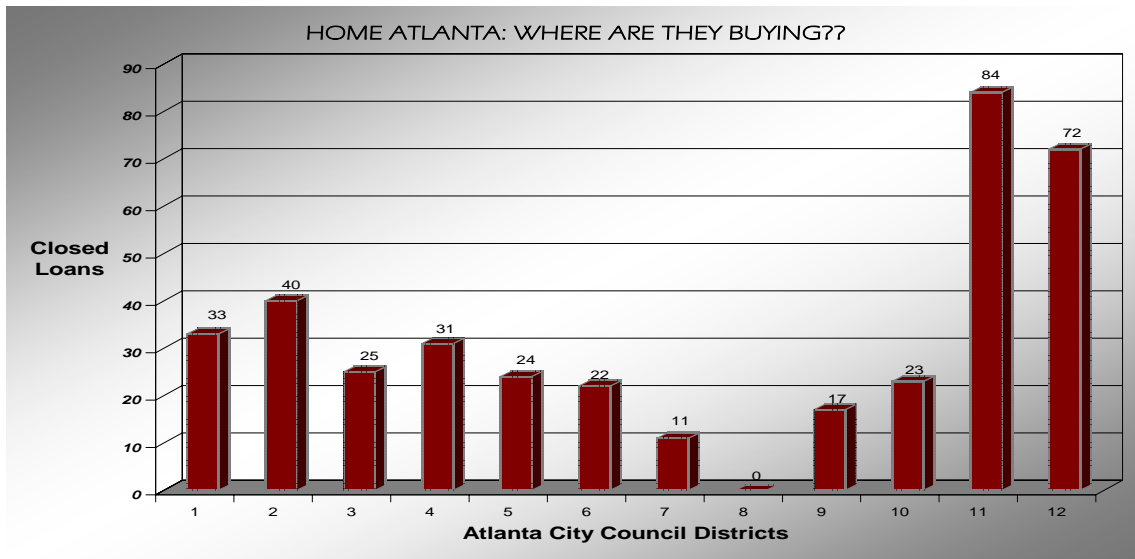
THE FACTS

Closed Loans – New Construction	189
Closed Loans – Existing	193
Opportunity Funds Expended	\$8,143,384
Private Investment Leveraged	\$51,677,958
Average Family Income	\$46,613
Average Family Size	1.6
Average Sales Price	\$160,613

WHERE THEY WORK



THE DISTRICTS



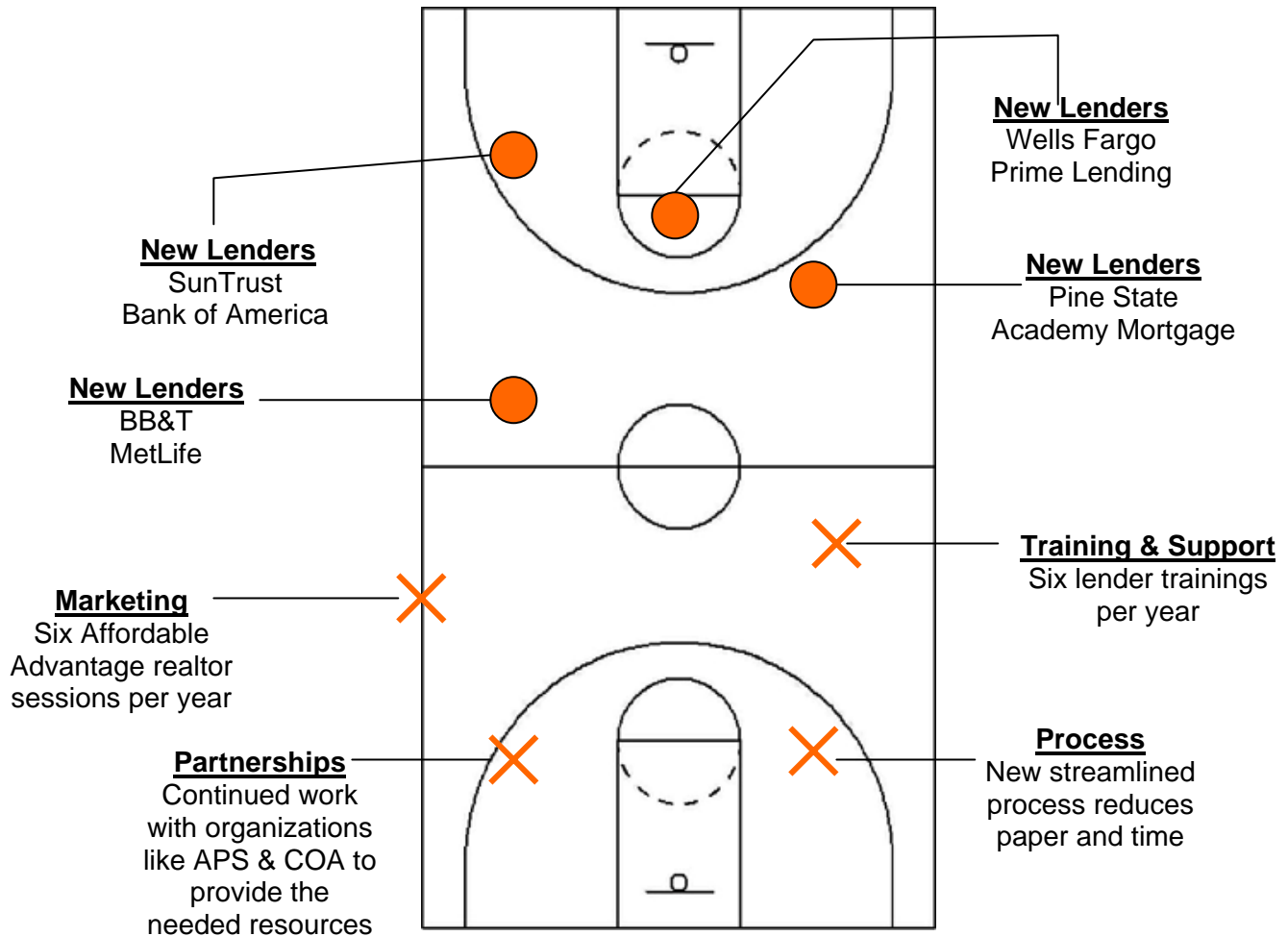
HOW MUCH THEY EARN

HOME Atlanta borrowers by Area Median Income	
30% AMI (\$21,350 & Below) = 9	50% AMI (\$21,351-\$35,600) = 65
60% AMI (\$35,601-\$42,720) = 79	80% AMI (\$42,721-\$56,950) = 154
100% AMI (\$56,951-\$71,200) = 64	115% AMI (\$71,201-\$81,850) = 11

The housing market is...



The plays have been created and now it's time to play the Housing Game that provides the assists needed to win



With over 200 loan reservations received this year alone, we are on our way to *overtime* and continuing to make dreams come true...

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



The recession and challenges in the credit markets have resulted in the Land Assemblage loan fund seeing no activity this quarter. When the program was first launched, the Enterprise Community Loan Fund received more than 8 applications from non-profit organizations and developers to acquire land to construct affordable housing. Two projects, to be developed by Summech and RRC, were approved at the end of 2008, totaling \$1,588,000. Both of these acquisitions were initially slated for townhome developments, however in the current economy, alternative development types are being considered.

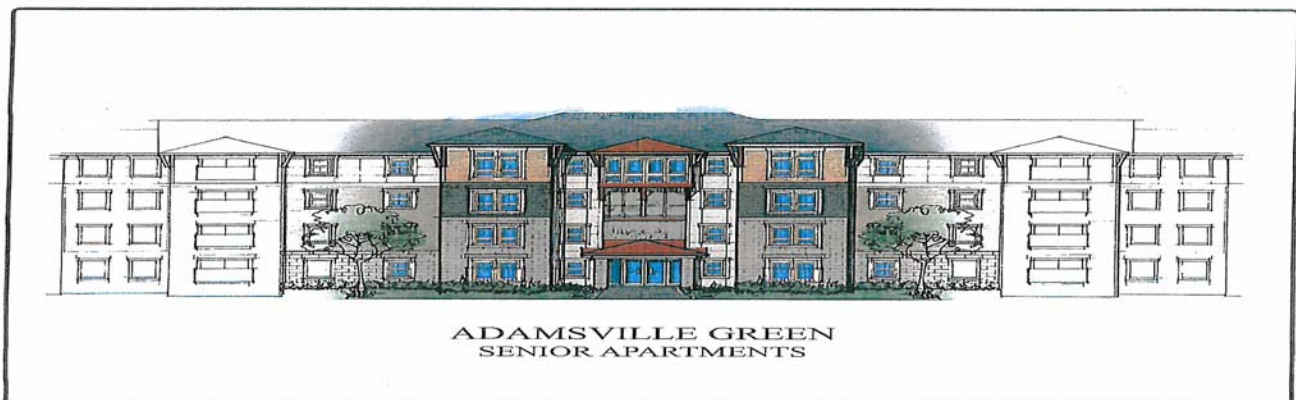
The total amount of Opportunity Bond dollars remaining in the pool for future acquisitions is \$3,677,482. The fund was capitalized with \$25.5 million with participation from other financial partners and is available to both for profit and non profit developers.

MULTIFAMILY LOAN ALLOCATION - \$4,200,000

Adamsville Green Senior, a development of Progressive Redevelopment Inc., has been approved for a loan of \$900,000, which leaves a balance of \$3,300,000 in the loan fund. The Housing Opportunity Bond loans are structured as second mortgages with interest rates between 1% and 3%, fully amortizing for 15 – 20 years, however, developers continue to have serious challenges securing a first mortgage for their developments.

The project awaits final approval of Tax Credit Assistance Program (TCAP) funds from the Georgia Department of Community Affairs (DCA). These funds were requested to replace lost tax credit equity due to decreased pricing in the equity markets. The developer was able to secure a 9% tax credit award from the Georgia Department of Community Affairs last fall and ADA staff has been working diligently to close this project.

Adamsville Green has several layers of financing which include equity from its tax credit syndicator, a loan from the Atlanta Housing Authority, the Housing Opportunity Bond loan and TCAP funding. Closing is expected to occur in December 2009.



ADAMSVILLE GREEN SENIOR APTS

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

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

Construction is continuing at Ashley at Collegetown with the funding earmarked from the Housing Opportunity Bond for public improvements. The scope of work includes sewer separation with new water lines, street improvements, landscaping, and lighting. These funds have been a tremendous gap-filler for this project, which also received water and sewer bond funds from the city of Atlanta and quality of life bond funds. These public infrastructure improvements to the West End community have been needed for many years. Funds have been used to enhance and improve Sells Avenue, Lawton Street, Abbott Street, West View Avenue, and Baldwin Street. Ashley at Collegetown is a multi-phase/mixed-use master-planned community of 35+ acres formerly known as the Atlanta Housing Authority's Harris Homes public housing development.

Of the \$7,500,000 allocated for these infrastructure improvements, \$4,070,470 has been expended. Construction is scheduled to be completed by December 31, 2009.



Public Improvements - Ashley at Collegetown



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



Several very active Community Housing Development Organizations, also known as CHDOs, were recently awarded Neighborhood Stabilization Program (NSP) funding to acquire, rehabilitate and dispose of foreclosed properties in several Atlanta neighborhoods. ADA has received inquiries from those CHDOs looking to leverage the CHDO set-aside loan funds with the NSP dollars.

The Authority anticipates receiving applications in the first quarter 2010 for funding.