

About the Atlanta Development Authority

The Atlanta Development Authority was formed in 1997 as a state of Georgia registered local government authority. As the economic development agency for the city, ADA represents intown Atlanta, which has a population of 540,000 and growing. A research-based economic development organization, it focuses on residential, business and investment growth in the city. ADA is governed by a nine-member board of directors that is chaired by the mayor of Atlanta. It has 45 employees and partners regularly with more than 50 economic development partner organizations. ADA utilizes the full economic development finance toolbox, including bond finance, revolving loan funds, TIFs and tax credits.

Structure

ADA has six divisions: Commerce and Entrepreneurship; Finance, Facilities and Asset Management; Housing Finance; Legal; Marketing and Public Relations; and Tax Allocation Districts.

Programs

Bedrock Tools: Bond Financing

- Tax-exempt multifamily and single-family bonds
 - Through the issuing authority of the Urban Residential Finance Authority (established in 1979), ADA receives in excess of \$70 million per year in tax-exempt bond allocation to be used for multifamily or single family affordable housing.
 - Multifamily tax-exempt bonds provide long-term, below-market interest rate financing to developers for the construction, acquisition and rehabilitation of affordable rental housing.
 - Single-family tax-exempt bonds provide mortgage financing to low- and middle-income families who are first-time homebuyers.
 - More than \$1 billion in tax-exempt bonds have been issued by URFA since 1985, creating in excess of 15,000 units of affordable housing
- Revenue bonds
 - “Small Issue” private activity bonds (also known as industrial development or industrial revenue bonds) may be issued for facilities used in the manufacturing, production or processing of tangible personal property, and on-site related and ancillary office, warehouse and other space.
 - Private activity bonds may be issued to finance property of Section 501(c)(3) non-profit organizations, such as qualifying schools, charities and healthcare facilities. Most such bonds are not subject to amount limitations. Some tax-exempt private activity bonds for Section 501(c)(3) organizations can be designated as “qualified” for purchase by banks with full tax benefits.
 - Private activity bonds also may be issued to certain “exempt” facilities and qualifying projects, such as some solid waste disposal facilities, hazardous waste facilities, water furnishing facilities, sewage facilities, certain local electric energy facilities, certain local heating or cooling facilities and mass transportation facilities, all free from the Small Issue limitations. Airport, dock, wharf and mass-commuting facilities are included in this category. Although these types of facilities may be leased to private businesses, they must be owned by a governmental unit.
 - Lease-purchase bonds are a type of private activity bond that provide a reduction of the ad valorem taxes assessed on real and personal property. This happens indirectly, through the transfer of title of the real and personal property subject to taxation to a development authority and subsequent leasing of the property back from the authority.

Access to Capital Lending Tools: Loan Programs

- Opportunity Loan Fund
 - This program is intended to stimulate job creation in the city of Atlanta. The fund will provide gap financing to assist small and medium-sized businesses that create at least five new jobs in the city of Atlanta.
 - Special consideration will be given to employers in the six development priority areas designated in Atlanta’s New Century Economic Development Plan.
 - ADA will provide loans of \$100,000-\$200,000 at an interest rate of one-half of the current prime interest rate plus 2 percent, with a minimum rate of 4 percent.
 - The Opportunity Loan Fund typically funds 50 percent of costs, with the other 50 percent coming from private sources, including capital investment by the borrowers or others, financing from private entities and/or SBA-affiliated loan programs.
- SBA 504 Loan Program
 - ADA provides financial and technical assistance to small minority- and female-owned businesses to expand and/or relocate in the city. The SBA-504 Loan Program offers businesses a unique source for 90 percent of their financing. Loans are available through certified development companies certified under the U. S. Small Business Administration 504 Certified Development Corporation Program.

- Loans may be up to \$1.5 million or 40 percent of total project costs (up to \$2 million if the company meets a public policy goal). 504 loans for “small manufacturers” may be made up to \$4 million.
- Business Improvement Loan Fund (BILF)
 - The BILF is designed to encourage the revitalization of targeted business improvement districts in the city and to support commercial and industrial development in other eligible areas.
 - Two forms of financial assistance are available through the BILF: direct loans and loan participants.
- The Phoenix Fund
 - The Phoenix Fund assists small and medium-sized businesses with affordable loans. It provides financial assistance for the construction and renovation of privately-owned commercial buildings; equipment purchases needed to operate a business, and, in some cases, working capital.
 - ADA will provide loans of \$10,000 to \$100,000 at a rate below prime as a way of creating and retaining jobs for low/moderate income residents in the City of Atlanta.
 - The project must create or retain one job for each \$15,000 loaned, and 51percent of jobs should be made available to low- and moderate-income persons.

Targeted Tools: Tax Allocation Districts (Tax Increment Financing)

- TIF is used in Atlanta to facilitate the redevelopment of underdeveloped areas that have experienced disinvestment resulting from environmental contamination or blight. ADA offers traditional TIF financing, which utilizes future incremental increases in property taxes generated by new development to fund eligible redevelopment costs through bond or pay-as-you-go financing.
- The use of TADs in redevelopment financing was recently affirmed through a statewide referendum in Georgia that allows each school district to choose whether or not to participate in a TAD.
- ADA has a six-person team dedicated to the planning and implementation of the ten TADs in the city of Atlanta.
- Additional abatement and incentive programs are also available to recruit new businesses through the Commerce and Entrepreneurship department.

Support Tools: New Markets Tax Credits

- Imagine Downtown, Inc. CDE (“IDI”) is a community development entity created by ADA and Central Atlanta Progress to receive and invest New Markets Tax Credits in Downtown and select commercial corridors. IDI was awarded a \$60 million allocation of New Markets Tax Credits in 2007 and a \$20 million allocation in 2008.
- IDI will utilize New Markets Tax Credits in two primary ways to spur implementation of the Imagine Downtown Plan and improve the economic vitality of Atlanta. First, IDI intends to couple New Markets Tax Credit investments with TAD financing for the development of new or revitalization of existing real estate. Second, IDI will add to ADA’s current business loan capabilities to ensure that businesses have adequate access to capital for expansion projects.

Support Tools: Affordable Workforce Housing

- The \$35 million Housing Opportunity Bond Fund was created by the city of Atlanta, Atlanta Housing Authority and Atlanta Development Authority to serve affordable rental housing needs in the City of Atlanta across the economic spectrum. This initiative establishes a revolving loan program to providing gap financing to single-family and multifamily affordable housing developers and Community Housing Development Organizations, provides second-mortgage financing to homebuyers in the form of a deferred loans, and establishes a pool of funds for the city of Atlanta or ADA to acquire land for future affordable housing development.
- The BeltLine Affordable Housing Trust Fund was created to promote the creation and preservation of affordable housing within the neighborhoods along the Atlanta BeltLine. BAHTF dollars can be combined with other affordable housing programs and city incentives and must be leveraged with private funds to acquire, construct or renovate affordable housing units in the BeltLine.

Expertise

The senior team at ADA consists of seven people with significant public- and private-sector experience in the fields of finance, law, affordable housing, economic development, real estate and marketing. Ernestine Garey is interim president of ADA. She sits on the mayor of Atlanta’s cabinet and has worked with ADA for over twenty-five years. Several members of ADA’s staff are considered national experts in their fields and sit on boards or speak at national conventions, such as the National Association for Local Housing Finance Agencies, CEOs for Cities, Initiative for a Competitive Inner City and Council of Development Finance Agencies.

ADA’s employees are alumni of Yale University, Northwestern University, University of Chicago, Rochester Institute of Technology, University of Miami, Clark Atlanta University, Georgia State University, and Georgia Institute of Technology, among other schools.

Web Address

www.atlantada.com