



Underground Atlanta
86 Pryor Street, SW, Suite 300
Atlanta, GA 30303
Phone: 404.880.4100
Fax: 404.880.9333

**CITY OF ATLANTA
TAX ALLOCATION DISTRICTS
QUARTERLY REPORT**

DATE: 8/1/2008

TO: ATLANTA CITY COUNCIL
FULTON COUNTY BOARD OF COMMISSIONERS
ATLANTA BOARD OF EDUCATION

FROM: CHERYL STRICKLAND, MANAGING DIRECTOR, TAX ALLOCATION DISTRICTS

CC: MAYOR SHIRLEY FRANKLIN
DR. BEVERLY HALL, SUPERINTENDENT, ATLANTA PUBLIC SCHOOLS
ZACHARY WILLIAMS, COUNTY MANAGER, FULTON COUNTY
LOUVERSIA SIMON, PRESIDENT, ATLANTA PLANNING ADVISORY BOARD
ATLANTA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS
ATLANTA BELTLINE INC. BOARD OF DIRECTORS
CITY OF ATLANTA OFFICIALS:
GREGORY GIORNELLI, CHIEF OPERATING OFFICER
E. RAY ZIES, INTERIM CHIEF FINANCIAL OFFICER
ELIZABETH B. CHANDLER, CITY ATTORNEY
STEVE COVER, COMMISSIONER OF PLANNING

SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 2ND QUARTER 2008

TABLE OF CONTENTS

EVENTS	P. 3
WESTSIDE TAD	P. 3
WESTSIDE TAD NEIGHBORHOOD FUND	P. 4
LEGAL STATUS OF TADS	P. 4
AFFORDABLE WORKFORCE HOUSING	P. 5
STATUS OF APPROVED RESIDENTIAL PROJECTS	ATTACHMENT A
APPROVED TAD PROJECTS TO DATE	ATTACHMENT B

EVENTS



Last month a Fulton County schoolteacher closed on the purchase of her first home, the **100th affordable unit to be subsidized by Atlanta's Eastside Tax Allocation District (TAD) Affordable Housing Purchase Program**. Aiesha Bridges, a science and math teacher at Haynes Bridge Middle School in Alpharetta, purchased a condominium in the newly constructed Oakland Park development in the Grant Park community in the Eastside TAD.



She purchased a **\$200,000 one-bedroom unit**, but by utilizing the Eastside TAD Affordable Housing Purchase Program in conjunction with other subsidies **Bridges reduced her mortgage to only \$112,000**. Bridges will receive \$56,000 in Eastside TAD financing in the form of a 50-year deferred loan. She will not have to make payments on the loan, which does not accrue interest, but she will be required to repay it should she ever sell the property. When repaid, the loan money will be deposited into a Housing Trust

Fund which will subsidize additional affordable units in the Eastside TAD.

For more information on the Eastside TAD Affordable Housing Purchase Program visit <http://www.atlantada.com/buildDev/eastsideaffprogram.jsp>.

WESTSIDE TAD

The ADA Board of Directors approved TAD funding for fourteen projects in the Westside TAD at their April and May meetings. Five developers have withdrawn their application for funds due to various market conditions that preclude project feasibility. The bond ordinance was introduced to City Council on July 21st and approved by Finance/Executive Committee on July 30th. Full Council approval is targeted for the August 18th meeting. **ADA anticipates the City will issue approximately \$80 million in bonds to support approved projects in the Westside TAD in September 2008.** Disbursement of funds to developers would begin shortly thereafter.

The bond ordinance also seeks approval of a **funding allocation for several Public Purpose Projects, including the Center for Civil and Humans Rights**. The 100,000 square foot facility will not only commemorate the groundbreaking contributions of Atlantans and Georgians to the historic struggle for African-American freedom and equality, but also serve as a space for ongoing dialogue, study, and contributions to the resolution of current and future freedom struggles of all people at local, national, and international levels. Other

Public Purpose Projects slated to receive funding include traffic signal upgrades, a park redevelopment and streetscape improvements.

WESTSIDE TAD NEIGHBORHOOD FUND

Ten projects have been funded to date with Westside TAD Neighborhood Funds. Of these projects, 2 are completed and 8 are in various stages of construction. Westside TAD Neighborhood Funds have been reallocated from Vine Square, for which the developer was unable to secure additional sources of funding, to Vine City Terrace, now the Villas at the Dome, which required additional funds to repair termite and water damage. One, two, and three-bedroom renovated townhome units are currently for sale at the Villas at the Dome for \$90,000 to \$110,000. BrockBuilt City Neighborhoods and Tyler Place CDC have withdrawn their interest in developing the 4.7-acre site in Vine City and are in process of deeding the entire site to ADA, after which point ADA expects to issue a Request for Proposals for the redevelopment of the site.



Villas at the Dome: After Renovation



Vine City Terrace: Before Renovation

LEGAL STATUS OF TADS IN GEORGIA

The Georgia Redevelopment Powers Law was enacted in 1985 by 71% of voters in Georgia. The City of Atlanta held a referendum in 1986 to allow for the establishment of TADs in the City. This referendum passed, and the City has since created 10 districts. In addition to Atlanta, more than 50 cities around Georgia have approved the use of TADs and over 20 of these communities have actually created districts. On February 11, 2008 the Georgia Supreme Court reversed the January 2007 Fulton County Superior Court order validating bonds proposed for the BeltLine TAD because it was determined that use of school tax revenue to fund redevelopment in the TAD is not an explicit educational expenditure. In reaction to this decision, the Georgia state legislature authorized constitutional amendment for November 4, 2008 ballot to allow school districts the option to participate in TADs. If the November referendum passes, the State Legislature will have the opportunity to reenact the Redevelopment Powers Law during the 2009 session, restoring the ability of school boards to participate in TADs.

On the Ballot November 4, 2008: “*Shall the Constitution of Georgia be amended so as to authorize community redevelopment and authorize counties, municipalities and local school boards of education to use tax funds for redevelopment purposes and programs?*”

AFFORDABLE WORKFORCE HOUSING UPDATE

The City's first five TADs have funded approximately 1,800 affordable housing units to date in the Eastside, Westside and Atlantic Station TADs. Approximately 600 affordable units are also planned or underway in the Perry Bolton TAD.

Atlantic Station TAD: The developer's goal is to provide 20% of all residential units to families earning up to 80% AMI. To date, 23% of all housing units constructed, under construction and planned, have been affordable. This includes 401 condominiums and 427 apartments.

Eastside TAD: The Eastside TAD Affordable Housing Program was established to ensure all residential projects receiving Eastside TAD support will include 20% affordable housing targeted to homeowners earning up to 80% of the area median income (AMI) or renters earning up to 60% of AMI. In all, 38%, or 718 units (514 apartments and 204 condominiums), will be affordable, nearly double the target. Thus far, 121 affordable ownership units have closed at TWELVE Centennial Park, Oakland Park, The Reynolds, Renaissance Walk and Tribute Lofts. Additionally, 421 apartments at Capitol Gateway have been completed, of which 254 are affordable.

Compliance: ADA manages the Eastside Affordable Housing Purchase Program ("AHPP"), which is currently the only ADA program producing fee-simple affordable housing. Under this program, 20% of all fee simple units in projects receiving TAD assistance are required to be affordable. ADA manages program compliance for the initial purchase of each affordable unit. ADA receives notification upon resale or refinancing; this facilitates monitoring of the occupancy of each affordable unit. Thus far, 121 units priced between \$139,900 and \$155,000 have closed at The Reynolds, Tribute Lofts, Oakland Park, TWELVE Centennial Park and Renaissance Walk.

Perry Bolton TAD, West Highlands: Fifty-six percent (395 units) of the multi-family rental units will be affordable. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units.

Princeton Lakes TAD: The enabling legislation did not set forth an affordable housing requirement for this TAD. Approximately 50% (368 homes) of the homes have been sold to date for less than \$200,000, making them affordable to Atlantans earning up to 80% of the area median income. Upon completion of all phases, it is projected that approximately half of the homes will have initial sales prices under \$200,000.

Westside TAD: This TAD does not contain an affordable housing requirement. Instead, 20% of all bond proceeds are dedicated to the Neighborhood Fund to support the redevelopment of Vine City and English Avenue. Approved projects have produced 220 affordable units to date, representing 38% of the total units financed with Westside TAD funds.

ATTACHMENT A

Status of Approved Residential Projects

Project	Units Planned	Units Under Construction	Units Under Contract	Units Closed/ Rented	Total Units	
Eastside						
	Affordable	0	0	16	70	104
	Market Rate	0	0	13	204	413
TWELVE		0	0	29	274	517
	Affordable	0	0	4	18	26
	Market Rate	0	0	4	52	104
The Reynolds		0	0	8	70	130
	Affordable	0	0	1	8	13
	Market Rate	0	0	1	2	52
Oakland Park		0	0	2	10	65
	Affordable	0	0	1	6	32
	Market Rate	0	0	15	13	128
Renaissance Walk		0	0	16	19	160
	Affordable	0	0	0	19	29
	Market Rate	0	0	13	68	118
Tribute Lofts		0	0	13	87	147
	Affordable	260	0	N/A	160	514
	Market Rate	176	0	N/A	86	343
Capitol Gateway		436	0	0	246	857
	Total Affordable	260	0	22	281	718
	Total Market Rate	176	0	46	425	1158
	TOTAL	436	0	68	706	1876

Westside						
	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	36	2	33	210
Historic Westside Village		0	36	2	33	210
	Affordable	0	0	0	194	194
	Market Rate	0	0	0	67	67
Gateway Apartments		0	0	0	261	261
	Affordable	0	0	0	26	26
	Market Rate	0	0	0	75	75
Centennial House		0	0	0	101	101
	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	0	0	167	167
Museum Tower		0	0	0	167	167

	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	0	0	49	49
123 Luckie		0	0	0	167	49
	Total Affordable	0	0	0	220	220*
	Total Market Rate	0	36	2	391	568
	TOTAL	0	36	2	611	788

Atlantic Station						
	Affordable	160	0	N/A	241	401
	Market Rate	750	401	N/A	1,111	2,262
Condominiums		910	401	0	1352	2663
	Affordable	0	0	N/A	427	427
	Market Rate	0	0	N/A	303	303
Apartments		0	0	0	730	730
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	84	0	102	186
Single Family/Townhomes		0	84	0	102	186
	Total Affordable	160	0	0	668	828*
	Total Market Rate	750	485	0	1516	2751
	TOTAL	910	485	0	2,184	3,579

Princeton Lakes						
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	306	0	339	656
Apartments		0	306	0	339	656
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	97	55	29	772	964
Single Family/Townhomes		97	55	29	772	964
	Total Affordable	0	0	0	0	0*
	Total Market Rate	97	361	29	1111	1503
	TOTAL	97	361	29	1,111	1,503

ATTACHMENT B

Approved TAD Projects

Project	Location	Developer	Housing			Hotel	Structured	TAD Funding	Project Cost	Completion
			Units	Retail SF	Office SF	Rooms	Parking			
Eastside (2005 Bond Issue)										
TWELVE	400 W. Peachtree Street	Novare Group	517	20,600	12,900	102	863	\$11,000,000	\$122,575,000	2007
The Reynolds	565 Peachtree Street	Urban Realty Partners	130	15,000	0	0	285	\$4,300,000	\$34,200,000	2006
Oakland Park	563 Memorial Drive	Urban Realty Partners	65	6,375	0	0	143	\$1,800,000	\$16,170,000	2007
Renaissance Walk	177-205 Auburn Avenue	Integral Real Estate Group &	160	27,000	0	0	318	\$4,000,000	\$48,492,441	2007
Capitol Gateway	90 Memorial Drive	Trammell Crow Residential,	857	43,000	0	0	surface	\$5,300,000	\$115,000,000	2010
Tribute Lofts	480 John Wesley Dobbs	InVision Group	147	7,110	0	0	246	\$3,200,000	\$32,224,084	2007
30 Allen Plaza	30 Ivan Allen Jr. Boulevard	Barry Real Estate	0	10,127	252,887	0	582	\$2,300,000	\$41,387,995	2005
<i>Total</i>			<i>1,876</i>	<i>129,212</i>	<i>265,787</i>	<i>102</i>	<i>2,437</i>	<i>\$31,900,000</i>	<i>\$410,049,520</i>	
Westside (2001 Bond Issue)										
Gateway Apartments	370 Northside Drive	Northside Village Development	261	8,000	0	0	360	\$422,575	\$16,781,045	2005
Centennial House	115 W Peachtree Place	Novare & ANDP	101	3,000	0	0	142	\$5,800,000	\$53,760,876	2002
Museum Tower	285 Centennial Olympic Park Drive	Harold A. Dawson Co.,	167	30,000	0	0		\$480,000	\$12,764,550	2002
123 Luckie	123 Luckie Street	Center City Housing Corporatio	49	3,600	0	0		\$1,225,000	\$29,037,000	2000
Northyards	North Avenue & Northside Drive	Northyards Partners LLC	0	0	250,000	0	0	\$1,900,000	\$16,781,045	2001
Historic Westside Village	825 and 831 MLK Jr. Drive	Historic Westside Partners	0	35,000	0	0	0	\$11,899,576	\$157,927,755	2001
<i>Total</i>			<i>578</i>	<i>79,600</i>	<i>250,000</i>	<i>0</i>	<i>502</i>	<i>\$21,727,151</i>	<i>\$287,052,271</i>	
Westside (2005 Bond Issue)										
World of Coke	Pemberton Place	Coca-Cola Company	0	83,000	0	0	500	\$1,500,000	\$20,945,698	2007
55 Allen Plaza	55 Ivan Allen Jr. Boulevard	Barry Real Estate	0	23,220	322,970	0	772	\$0	\$0	2007
Marietta Place	300 Marietta Street	Legacy Property Group	0	36,874	0	0	existing	\$4,400,000	\$88,500,000	2007
The Ellis	176 Peachtree Street	RD Management	0	1,200	0	127	existing	\$5,400,000	\$64,026,561	2007
Park Pavilion	311 Marietta Street	Legacy Property Group	0	45,180	0	242	670	\$0	\$0	2008
The Glenn	120 Marietta Street	Legacy Property Group	0	5,000	0	110	existing	\$1,300,000	\$7,928,604	2006
Historic Westside Village	825-831 MLK Jr. Drive	Trammell Crow Company &	210	0	0	0	293	\$3,000,000	\$25,866,933	2008
<i>Total</i>			<i>210</i>	<i>194,474</i>	<i>322,970</i>	<i>479</i>	<i>2,235</i>	<i>\$15,600,000</i>	<i>\$207,267,796</i>	
Atlantic Station (2001 & 2006 Bond Issues)										
<i>Total</i>			<i>3,579</i>	<i>1,327,000</i>	<i>1,018,787</i>	<i>101</i>	<i>22,300</i>	<i>\$0</i>	<i>\$2,000,000,000</i>	<i>2010</i>
Princeton Lakes (2006 Bond Issue)										
Mixed-Use	Camp Creek Parkway	Princeton Lakes Partners LLC	470	460,767	92,000	TBD	surface	\$17,900,000	\$308,759,336	2008
Single-Family	Camp Creek Parkway	Pulte Homes Corporation	844	0	0	0	0	\$0	\$0	2008
<i>Total</i>			<i>1,314</i>	<i>460,767</i>	<i>92,000</i>	<i>0</i>	<i>0</i>	<i>17,900,000</i>	<i>308,759,336</i>	