

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

DATE: FEBUARY 23, 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

February 23, 2008

Dear City Council members:

Since the issuance of \$35 million in Housing Opportunity Bonds in April 2007, ADA has been actively engaged in the implementation of several program components.

Despite the mortgage market meltdown and the turmoil in the credit markets, our successes are clear. Since program inception, **400** units of workforce housing have been produced with **\$14,741,312** in Opportunity Fund dollars. This has leveraged **\$72,935,331 in private dollars**, a 5-to-1 ratio.

We are pleased that this program continues to be a critical component in our toolkit for the production of workforce housing. The creation of homeownership and rental housing choices provides significant economic benefit to Atlanta, including creating construction jobs, encouraging business retention, generating taxes and increasing activity with our local businesses.

Coupled with the passage of the recent stimulus packages, we see this as an opportune time to leverage these dollars with other new and innovative programs to encourage housing preservation.

We appreciate the ongoing support of the city of Atlanta in this endeavor.

Sincerely,

Ernestine W. Garey
Managing Director, Housing Finance

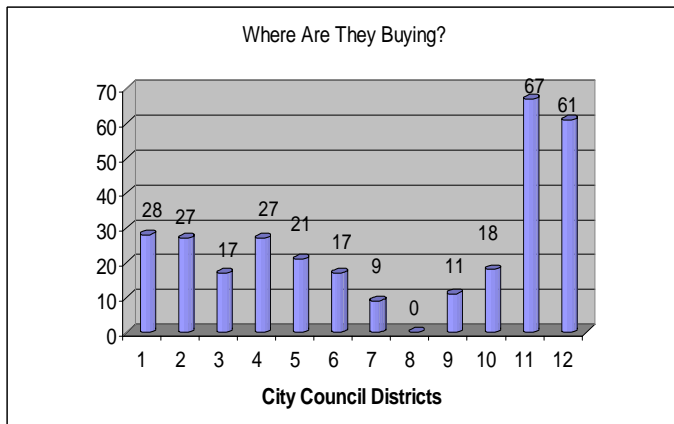
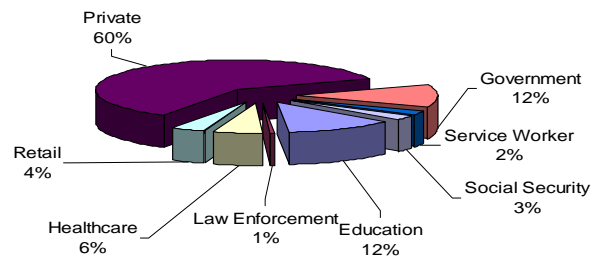
MORTGAGE ASSISTANCE PROGRAM ALLOCATION - \$7,610,905

The **HOME Atlanta** program continues to make dreams a reality. Since its inception, the program created to stimulate home purchases and help people move into the city of Atlanta **has brought more than 236 new residents to our great city. Because of HOME Atlanta, more than 300 people in nearly every quadrant of the City have realized the dream of homeownership.** This innovative program, which provided a 30-year fixed interest rate of 6.25 percent along with a 4 percent grant, gave borrowers the opportunity to receive 10 percent of their home's purchase price as downpayment assistance from the Housing Opportunity Fund. It has changed lives, opened doors, and put Atlanta at the forefront of creativity and change by serving as a best practice model nationwide. This program has also helped mitigate the housing downturn and provided a boost to real estate opportunities in the city at a critical time.

PROGRAM PROFILE

Closed Loans – New Construction	159
Closed Loans – Existing	144
Opportunity Funds Expended	\$7,047,217
Private Investment Leveraged	\$40,421,993
Average Family Income	\$46,668
Average Family Size	1.5
Average Sales Price	\$165,499

Borrowers by Industry



30% AMI (\$21,350 & Below) = 7	50% AMI (\$21,351-\$35,600) = 55
60% AMI (\$35,601-\$42,720) = 63	80% AMI (\$42,721-\$56,950) = 118
100% AMI (\$56,951-\$71,200) = 53	115% AMI (\$71,201-\$81,850) = 7

MARKETING HOME ATLANTA

In the fourth quarter, our marketing efforts focused on highlighting the great examples of individuals who benefited from our programs. We realized that when people saw that it was possible to become a homeowner, it became an attainable goal for them as well.

It's an old cliché," says Clyde Anderson of the Atlanta Development Authority, "but being a homeowner truly is the American dream. Homeownership is important because people feel differently about their community when they own a part of it."

HOME Atlanta in the media

BUSY MAN FINDS PLACE TO SETTLE

By C.W. Cameron
For the AJC
Sunday, December 21, 2008



Stan Burns received a grant from the Atlanta Development Authority that lowered the price of his condo at Park Place South by 10 percent. As long as he stays in the condo — just south of downtown — for 10 years, he won't have to repay the grant.

"If your credit is good and you've got a steady job, you shouldn't have any problems. I got a grant from the Atlanta Development Authority that reduced the price of my condo by 10 percent, and as long as I stay here for 10 years, I won't have to repay it," Burns said.

BUYER AID OUT THERE

By C.W. Cameron
For the AJC
Sunday, December 7, 2008



Priscilla Ficklin-McCalop obtained a Home Atlanta mortgage assistance grant for 4 percent of the cost. If she stays in the house 10 years, that loan is forgiven. As a requirement for the assistance, she took a first-time home buyer's class.

"It boggles my mind when I talk to people who don't know about these programs," said June Harland of Coldwell Banker Residential Brokerage Sandy Springs. "This is free money. What are they waiting for?"

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

The Enterprise Foundation Land Assemblage Partnership was established to create a pool of funds to finance the acquisition and assemblage of land and buildings for affordable development. The fund is available to nonprofit developers as well as for-profit developers working in partnership with nonprofit organizations. The fund was capitalized with \$25.5 million from members of the partnership.

During the fourth quarter of 2008 the Enterprise Community Loan Fund received one new application from Charis Community Housing for \$333,333. Upon approval, these funds will be used to acquire land on which to construct 50 affordable units.

Two projects were approved, totaling \$1,588,000 from Opportunity Fund dollars. RRC received funding of \$600,000 for the Eastgate Project to acquire six contiguous lots at the intersection of Hardee Street and Moreland Avenue in east Atlanta. Their plans are to build for-sale townhomes on this site.

Additionally, Summech CDC was approved for \$988,000 in the third quarter for land acquisition bounded by Crumley Street, Ira Street, Glenn Street and Whitehall Terrace. Summech proposes to build 65 for-sale townhomes, with construction slated to begin in 2011. The proposed price for the townhomes ranges from \$190,000 to \$250,000.

The total amount remaining for future acquisitions using Opportunity Fund dollars is \$3,412,000.

MULTIFAMILY LOAN ALLOCATION - \$5,000,000



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

As of August 2008, ADA has three applications in process for Opportunity Funds: Amal Heights Townhomes, EdgeVue Apartments and Adamsville Green Senior Apartments. **These three projects total \$3.3 million in potential funding.**

Due to unprecedented challenges in the capital markets, Amal Heights and EdgeVue have experienced delays in securing firm commitments from all funders, causing scheduling adjustments. Adamsville Green received a Georgia Department of Community Affairs tax credit award for 9 percent credits and anticipates closing by the end of the second quarter 2009.

ADA has also received an application for the Adair Park Senior Residences, which is currently under staff review.

AMAL HEIGHTS TOWNHOMES

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

EDGEVUE APARTMENTS

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

ADAMSVILLE GREEN SENIOR APTS

- 3537 Martin Luther King Jr. Drive SW
- \$900,000 in Housing Opportunity Bond
- Acquisition and new construction
- 90 total units
- 90% affordable units; 10% market units
- Affordable units for seniors age 62 or above at or below 60% of area median income
- NPU: H



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 partnership 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 in Opportunity Bond Funds has been earmarked to support Phase I and Phase II public infrastructure improvements. **To date, \$2,582,191 has been expended, representing 152 units.** The balance of these funds will be tapped after draw-down of the city of Atlanta's water sewer bond funds and Quality of Life bonds.

The balance is anticipated to be fully expended by the end of fourth quarter 2009, 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 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 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 with external partners to encourage development efforts.

As of August 31, 2008, ADA induced the **Reynoldstown Senior Apartments** for \$5,500,000 in tax exempt bonds. Sources also include \$1,315,000 in Opportunity Fund dollars. Reynoldstown Senior will feature 78 newly constructed apartments for seniors age 62 or older. The project will have 85 percent of units affordable to those at 60 percent or below of area median income. It is located in the heart of Reynoldstown near the intersection of Marcus and Pearl Street. The developer plans to submit a revised financing structure to ADA and submit its plans to the city of Atlanta for a building permit first quarter 2009.

Summech CDC has requested \$203,958 for the rehabilitation of eight units of rental housing at 216 Rawson Street.

During the 4th quarter of 2008 ADA received an application from **Beacon of Hope Inc.** for \$215,220. The request is to acquire a 4-unit building slated for rehabilitation located at 526 Boulevard.

ADA has received a total of four CHDO applications, with three applications currently under consideration for funding and approval once firm commitments are received for all other funding. The total amount of the applications under consideration is \$1,734,178.