



Atlanta Urban Development Corporation



Building a New Model for Affordable Housing Development

Leveraging public land to create high quality mixed-income housing

HOW WE GOT HERE

- **June 2022** – Mayor Dickens holds first Affordable Housing Strike Force Meeting
- **July 2022** – Final Public Asset Mapping completed by Urban3 and Common Ground Institute
- **Jan 2023** – City of Atlanta joins Putting Assets to Work incubator program
- **March 2023** – Final recommendations of PAW Playbook released, recommending added public land development capacities in the model of the AUDC
- **April 2023** – City of Atlanta begins working with Atlanta Housing, Invest Atlanta, and other local partners on framework to create new development corp
- **July 2023** – Atlanta Housing formally creates the AUDC



AUDC PARTNER ORGANIZATION CHART

GOVERNMENTAL



CoA provides initial operating budget, land for development

ORGANIZATIONAL



AUDC incorporated through Atlanta Housing, with Atlanta Housing approving organizational powers, bylaws, and board appointments

FINANCIAL



URFA acts as program administrator of Housing Production Fund, including intake, underwriting, project approval, and closing.

HPF Funding

Atlanta Urban Development Corporation

AUDC's Investment Committee recommends projects for URFA funding approval

TO BE DETERMINED

- Housing Strike Force
- Philanthropic Partners
- Neighborhood Organizations

MISSION & GOALS

The Atlanta Urban Development Corporation is a specialized entity capable of leading the redevelopment of public land into marketable, mixed-income housing that is attractive and attainable to tenants of a broad range of income-levels to achieve the following goals:

1. Pioneer a new cross-subsidization model of public land development **not reliant on tax credits**
2. Establish **long-term affordability and control** of housing on newly developed sites, modeled after the social housing approach used around the world
3. **Partner with Atlanta's public agencies** to operationalize the Mayor's Housing Strike Force and streamline implementation of public, local sources of subsidy
4. Add additional public land development capacity that **complements and expands housing development efforts** of the existing public agencies' work
5. To **catalyze large-scale redevelopment** of public land assemblages through community empowerment without displacement

The AUDC was created to expand new construction affordable housing without relying on LIHTC funding, realizing the value of public land as a major source of equity by leveraging low-interest public financing and tax exemptions.

CHALLENGE

LIHTC's LIMITATIONS

- Limited award availability
- Atlanta Housing is competing for less award availability
- Complicated capital stacks risk long development times
- LIHTC construction costs are typically 20% PSF relative to market rate projects

LOCAL TOOLKIT

PUBLIC LAND

- ~\$500M+ in value if realized as redevelopment
- Maximizing resource requires deeper public participation

PUBLIC FINANCE + TAX EXEMPTION

- Low interest loans and tax exemptions are the most readily available local sources of subsidy

SOLUTION

SOCIAL HOUSING MODEL

- The Social Housing model of development combines available local resources – land and subsidy – and public sector capacity to execute
- AUDC built as an organization w/the DNA to accelerate a new, innovative housing model built on activating public land

THE BUILDING BLOCKS OF SOCIAL HOUSING

Social Housing drives deep, permanent, adaptable affordability through a combination of tools

AFFORDABLE HOUSING GOALS

Deeply Affordable Rents

AUDC will be able to pursue deeper levels of affordability for its developments than comparable deals

Permanent Affordability

AUDC will be able to maintain the rents for its affordable units, irrespective of external factors affecting affordability

Affordability That Grows With Need

As rents in surrounding neighborhoods increase, AUDC will be able to increase affordability by lowering rents on more of the units in its developments

SOCIAL HOUSING TOOLKIT

- **Public financing tools** (lower cost of capital) and **public ownership** make AUDC deals more attractive to developers, allowing AUDC greater negotiating leverage
- **Property tax exemptions** decrease operating costs, allowing property to reach required DSCR with lower overall rents

- **Public-private partnerships** with mechanisms for public control allow AUDC to control affordability of rents.

- **Mixed-income properties** allow market-rate units (with increasing rents) to subsidize the affordable units at the property.
- **Public-private partnerships** with mechanisms for public control allow AUDC to increase affordability of rents.

CASE STUDY

The Housing Opportunity Commission has pioneered a mixed-income housing model that has cleared a 3k+ unit pipeline relying on public land and low-interest, municipally financed debt

- Montgomery County's HOC (Maryland) partners w/ fee developers to build mixed-income, mixed-use housing w/ no LIHTC built on public land
 - 20% units @ 50% AMI, 10% units @ 80%AMI
- Use \$50M fund to issue a revolving, low-interest, mezzanine construction financing (Housing Production Fund) for their own projects
 - Fund is secured by County's housing trust fund's annual \$3M commitment
 - Actual spend from trust fund is much lower than \$3M
- The model's successes have been recognized
 - In 2022, County passed 2nd phase of \$50MM
 - State of MD proposing a state matching fund



HOCs The Lindley, 200 units of mixed-income TOD

AUDC PROGRESS

CITY OF ATLANTA PROPERTY

- **Thomasville Heights** – working w/ AH on IGA; phase I construction in 2024
- **Midtown Fire Station** – RFQ release in Q4 2023
- **Gun Club Park, Johnson Rd** – community engagement, parks + housing planning underway with Parks, TSW

ATLANTA PUBLIC SCHOOLS

- Working w/ APS staff on organizational IGA

