

INVESTATLANTA

CITY OF ATLANTA 2021 HOUSING OPPORTUNITY BOND

Community Development / Human Services
Committee Briefing Document

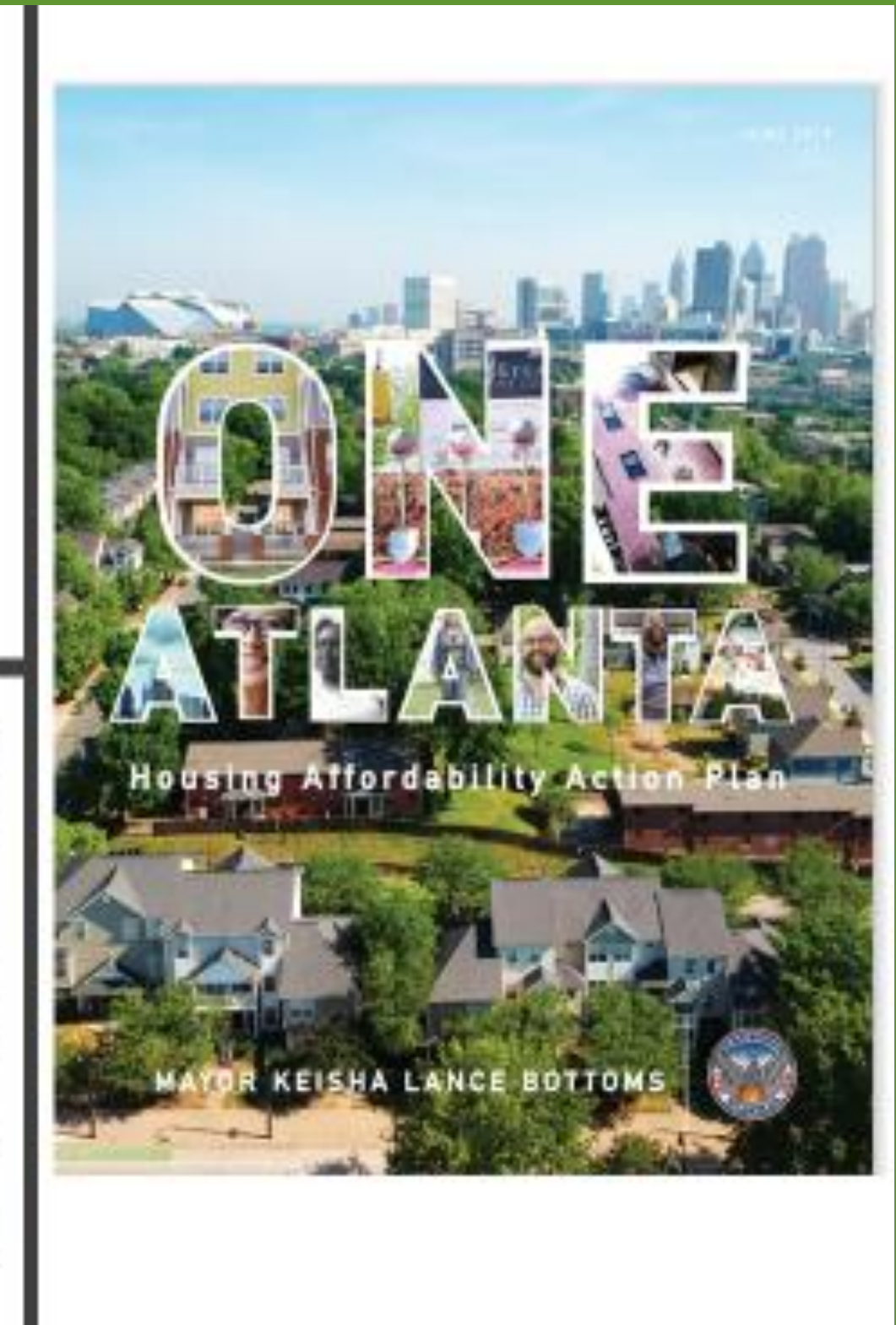
February 23, 2021



INVESTATLANTA

Discussion Topics

- HOUSE ATL/ One Atlanta: Housing Affordability Action Plan
- Economic Mobility, Recovery, Resiliency
- Atlanta City Design
- \$1B Commitment
 - \$500MM Public / \$500MM Private
- 2021 HOB Program



THE GOAL OF ONE ATLANTA:

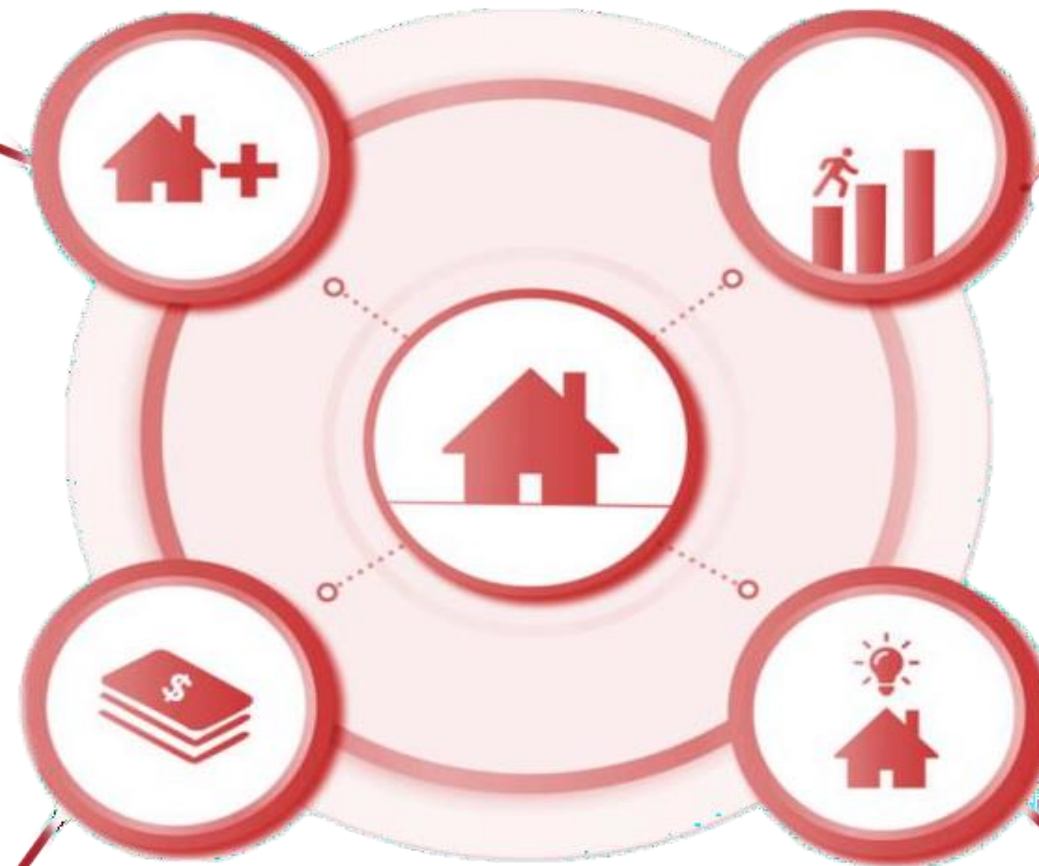
To provide a pathway to affordable and equitable housing opportunities for all who desire to call Atlanta home.

Create or preserve 20,000 affordable homes by 2026 and increase overall supply.

1. Leverage vacant land for public housing
2. Create and expand housing affordability tools
3. Revise the zoning code

Invest \$1B from public, private, and philanthropic sources to produce and preserve affordable housing

4. Maximize existing funding sources
5. Develop new funding sources
6. Increase philanthropic and private investment in affordable housing



Ensure equitable growth for all Atlantans and minimize displacement

7. Prevent involuntary displacement
8. Explore expansion of property tax programs for creation and preservation of affordable housing
9. Expand awareness of an increase participation in housing affordability programs

Support innovation and streamline processes

10. Establish a Housing Innovation Lab
11. Improve Building and Zoning Codes
12. Improve our system for developing and delivering affordable housing
13. Enhance community engagement

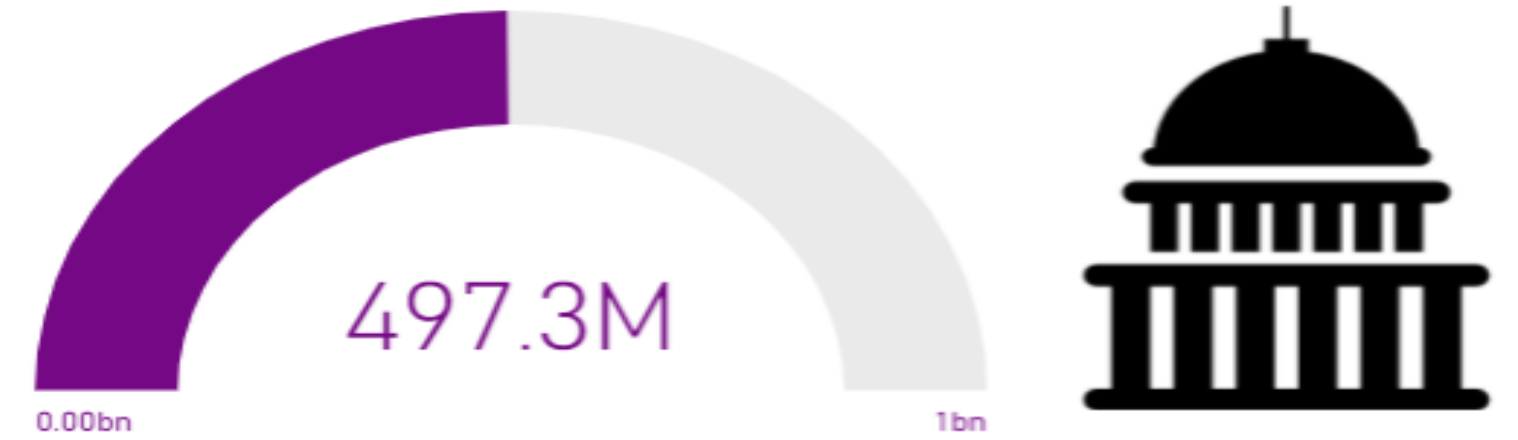
City of Atlanta Housing Affordability Tracker



Number of Affordable Units Preserved and Created



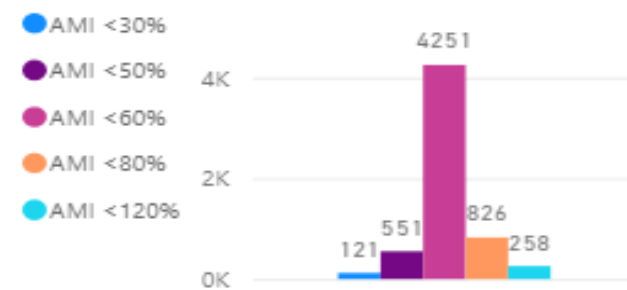
Funds Committed (USD)



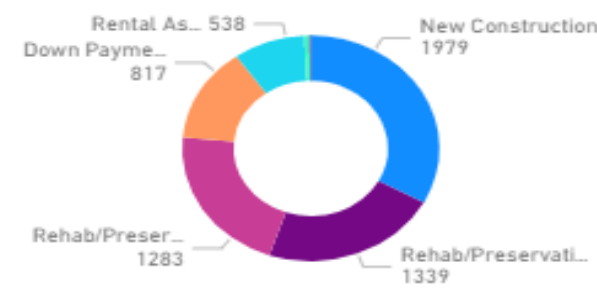
Note: the 2019 and 2020 columns in the bar charts above reflect cumulative activity from January 1, 2018.

Sources: Atlanta Housing, City of Atlanta Department of Grants Management and Community Development, Atlanta BeltLine, Inc., Fulton County/City of Atlanta Land Bank Authority, and Invest Atlanta | Visualizations reflect activity from January 1, 2018 - December 31, 2020.

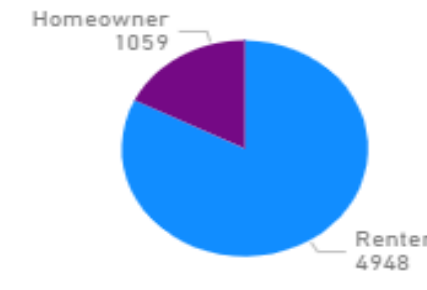
Units By AMI



Units By Project Type



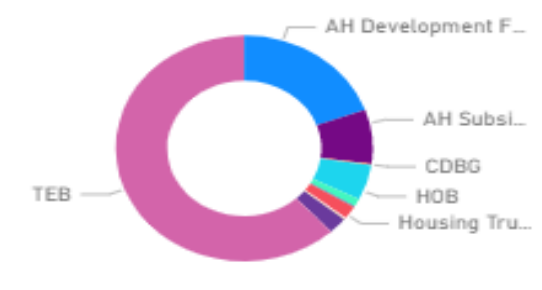
Units By Target Population



By Stage



Funds By Funding Source



Sources: Atlanta Housing, City of Atlanta Department of Grants Management and Community Development, Atlanta BeltLine, Inc., Fulton County/City of Atlanta Land Bank Authority, and Invest Atlanta | Visualizations reflect activity from January 1, 2018 - December 31, 2020.

2021

Housing Opportunity Bond



Housing Opportunity Bond Program Structure

Agency Coordination

City of Atlanta: Will designate how funds are to be spent and the policies for expenditures as well as pays the debt service on the bonds.

Atlanta Housing Authority: Created a new non-profit, Atlanta Housing Opportunity, Inc., with a board selected by AHA.

Urban Residential Finance Authority: Will issue \$100 million in taxable bonds that will be loaned to Atlanta Housing Opportunity, Inc.

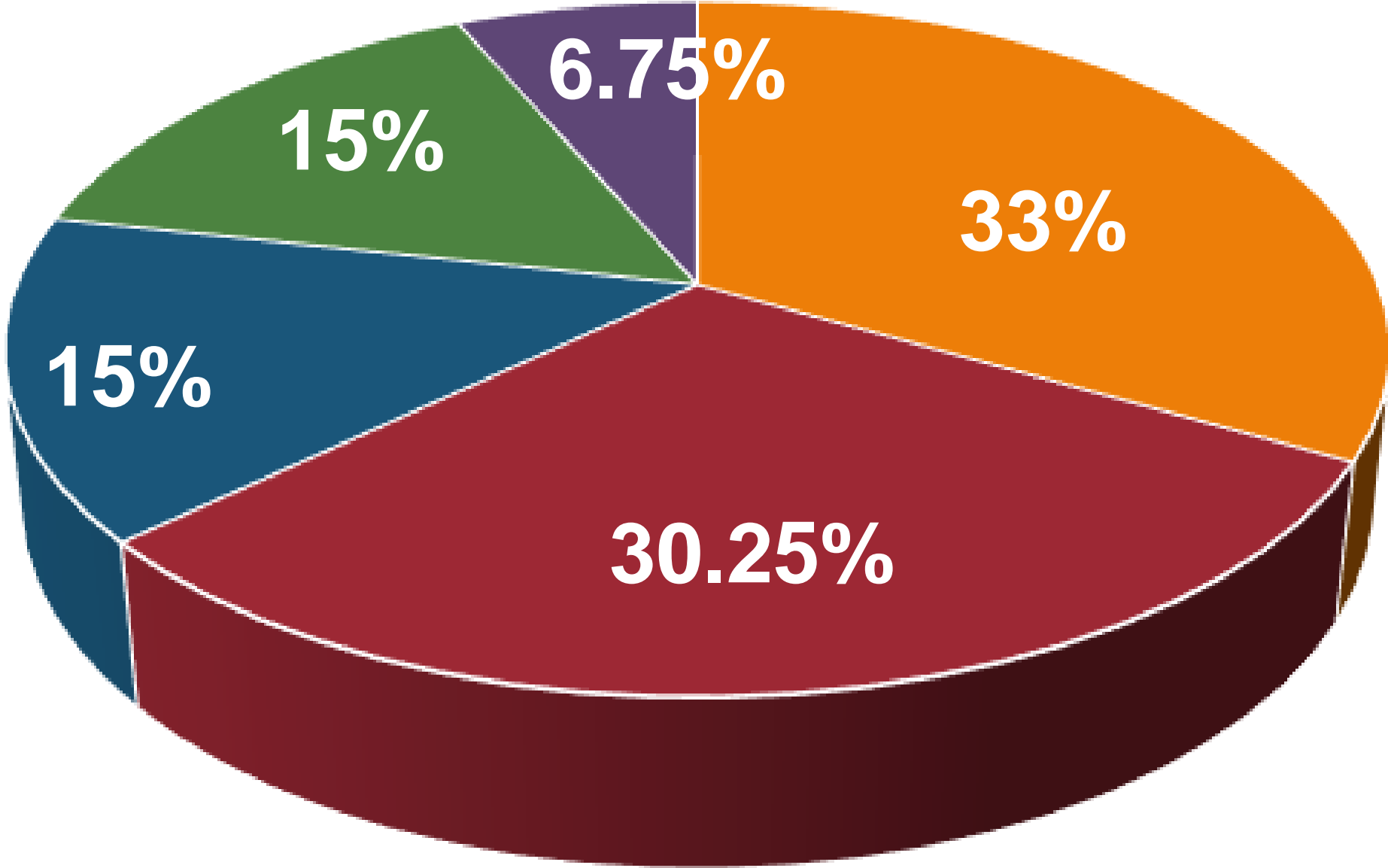
Atlanta Housing Opportunity, Inc.: Will subcontract management and implementation of the program to URFA.



2021 HOUSING OPPORTUNITY BOND PROGRAM

Program Categories	Category Components	Funding
Multifamily Loans	Multifamily Developer Loans	\$ 15,000,000
	Small Multifamily Developer Loans	\$ 8,000,000
	Permanent Supportive Housing Loans	\$ 10,000,000
Single Family Loans	Owner Occupied Housing Rehabilitation	\$ 22,000,000
	Down Payment Assistance	\$ 4,250,000
	Single Family Development (Developer Loans)	\$ 4,000,000
Land and Property Assemblage	Direct Acquisition	\$ 8,000,000
	Land Assemblage Financing Fund	\$ 7,000,000
Non Profit Affordable Housing Development Set- Aside	Funds set aside for eligible nonprofit developers for multifamily and single family affordable housing development.	\$ 15,000,000
Program Administration	Administrative cost for Invest Atlanta to implement the program.	\$ 5,500,000
Cost of Issuance Estimate	Legal and financial expenses associated with the bond transaction.	\$ 1,250,000
		\$ 100,000,000

\$100MM 2021 HOUSING OPPORTUNITY BOND



- Multifamily Loans
- Single Family Loans
- Land & Property Assemblage
- Non-profit Set Aside
- Cost of Issuance/Program Admin

2021 Housing Opportunity Bond Proposal focuses on addressing current market considerations and needs.

- Anti-Displacement Measures
- Permanent Affordability
- Preservation of Naturally Occurring Affordable Housing
- Homelessness
- Strategic Land Acquisition



Multifamily Loans \geq 70 units

	Non-Profit	For-Profit
Budget Allocation:	\$15,000,000	
Preferences:	1) Set-aside for Households at 30% AMI or less	1) Set-aside for Households at 30% AMI or less
	2) Permanent Affordability (30 years +)	2) Permanent Affordability (30 years +)
	3) Located within 1 mile of Transit Stations	3) Located within 1 mile of Transit Stations
	4) Preservation of Existing Units	4) Preservation of Existing Units
Income Targeting:	60% AMI or less	60% AMI or less
Rent Restrictions:	No to exceed HUD Fair Market Rents	No to exceed HUD Fair Market Rents
Maximum \$ per Affordable Unit:	31% - 60% AMI = up to \$60,000/Affordable Unit 0% - 30% AMI = up to \$70,000/Affordable Unit	31% - 60% AMI = up to \$60,000/Affordable Unit 0% - 30% AMI = up to \$70,000/Affordable Unit
Maximum \$ per Project:	Up to \$1,500,000 Up to \$2,000,000 (Income Averaging \geq 200 units) Up to \$1,000,000 (9% Tax Credits)	Up to \$1,500,000 Up to \$2,000,000 (Income Averaging \geq 200 units) Up to \$1,000,000 (9% Tax Credits)

Multifamily Loans \geq 70 units (cont'd)

	Non-Profit	For-Profit
Budget Allocation:	\$15,000,000	
Maximum percentage of Total Costs:	\leq 50% Total Development Costs Less Developer Fee	\leq 50% Total Development Costs Less Developer Fee
Minimum Set-Asides:	30% of Units	30% of Units
Rate:	1.00% to 3.00%	1.00% to 5.00%
Term:	Up to 45 years	Up to 45 years
Amortization:	Up to 45 years	Up to 45 years
Repayment:	Flexible: Standard P&I; Interest Only; % Cash Flow	Flexible: Standard P&I; Interest Only; % Cash Flow

Small Multifamily Loans ≤ 70 units

	Non-Profit	For-Profit
Budget Allocation:	\$8,000,000	
Preferences:	1) Set-aside for Households at 30% AMI or less	1) Set-aside for Households at 30% AMI or less
	2) Permanent Affordability (30 years +)	2) Permanent Affordability (30 years +)
	3) Located within 1 mile of Transit Stations	3) Located within 1 mile of Transit Stations
	4) Preservation of Existing Units	4) Preservation of Existing Units
Income Targeting:	60% AMI or less	60% AMI or less
Rent Restrictions:	Not to exceed HUD Fair Market Rents	Not to exceed HUD Fair Market Rents
Maximum \$ per Affordable Unit:	31% - 60% AMI = up to \$60,000/Affordable Unit 0% - 30% AMI = up to \$70,000/Affordable Unit	31% - 60% AMI = up to \$60,000/Affordable Unit 0% - 30% AMI = up to \$70,000/Affordable Unit
Maximum \$ per Project:	Up to \$1,000,000	Up to \$1,000,000

Small Multifamily Loans ≤ 70 units (cont'd)

	Non-Profit	For-Profit
Budget Allocation:	\$8,000,000	
Maximum percentage of Total Costs:	≤ 50% Total Development Costs Less Developer Fee	≤ 50% Total Development Costs Less Developer Fee
Minimum Set-Asides:	30% of Units	30% of Units
Rate:	1.00% to 3.00%	1.00% to 5.00%
Term:	Up to 45 years	Up to 45 years
Amortization:	Up to 45 years	Up to 45 years
Repayment:	Flexible: Standard P&I; Interest Only; % Cash Flow	Flexible: Standard P&I; Interest Only; % Cash Flow

Permanent Supportive Housing

	Non-Profit	For-Profit
Budget Allocation:	\$10,000,000	
Preferences:	1) Set-aside for Households at 30% AMI or less	1) Set-aside for Households at 30% AMI or less
	2) Permanent Affordability (30 years +)	2) Permanent Affordability (30 years +)
	3) Located within 1 mile of Transit Stations	3) Located within 1 mile of Transit Stations
		4) Preservation of Existing Units
Income Targeting:	50% AMI or less	50% AMI or less
Rent Restrictions:	No to exceed HUD Fair Market Rents	No to exceed HUD Fair Market Rents
Maximum \$ per Affordable Unit:	0% - 50% AMI = up to \$70,000/Affordable Unit	0% - 50% AMI = up to \$70,000/Affordable Unit
Maximum \$ per Project:	Up to \$1,500,000	Up to \$1,500,000

Permanent Supportive Housing (cont'd)

	Non-Profit	For-Profit
Budget Allocation:	\$10,000,000	
Maximum percentage of Total Costs:	≤ 50% Total Development Costs Less Developer Fee	≤ 50% Total Development Costs Less Developer Fee
Maximum number of supportive units:	≤ 50% of the total number of units	≤ 50% of the total number of units
Minimum Set-Asides:	30% of Units	30% of Units
Rate:	1.00% to 3.00%	1.00% to 5.00%
Term:	Up to 45 years	Up to 45 years
Amortization:	Up to 45 years	Up to 45 years
Repayment:	Flexible: Standard P&I; Interest Only; % Cash Flow	Flexible: Standard P&I; Interest Only; % Cash Flow

Single Family Development Loans

	Non-Profit	For-Profit
Budget Allocation:	\$4,000,000	
Preferences:	1) Set-aside for Households at 60% AMI or less	1) Set-aside for Households at 60% AMI or less
	2) Preservation of Existing Single Family Residential Units	2) Preservation of Existing Single Family Residential Units
	3) Permanent Affordability (Ground Lease; Community Land Trust; etc.)	3) Permanent Affordability (Ground Lease; Community Land Trust; etc.)
	4) Single-Family Rental w/ Services for Transition to Homeownership	4) Single-Family Rental w/ Services for Transition to Homeownership
	5) Located within 1 mile of Transit Stations	5) Located within 1 mile of Transit Stations
	6) Creation of more than one unit per site (ADU etc.)	6) Creation of more than one unit per site (ADU etc.)
	7) Green sustainable building practices	7) Green sustainable building practices
Income Targeting:	Rental: 80% AMI or less For Sale: 120% AMI or less	Rental: 80% AMI or less For Sale: 120% AMI or less
Maximum Price:	HUD Annual Purchase Price Limits	HUD Annual Purchase Price Limits
Maximum \$ per Unit:	Up to \$70,000/ unit Up to \$100,000/unit w/ Permanent Affordability	Up to \$60,000 per unit Up to \$100,000/unit w/ Permanent Affordability
Maximum \$ per Project:	Up to \$500,000 (could increase for projects with additional affordable units or deeper levels of affordability)	Up to \$500,000 (could increase for projects with additional affordable units or deeper levels of affordability)

Single Family Development Loans (cont'd)

	Non-Profit	For-Profit
Budget Allocation:	\$4,000,000	
Minimum Set-Asides:	20% of project units	20% of project units
Minimum Project Size:	3 Units	5 Units
Rate:	1.00% to 3.00%	1.00% to 5.00%
Rental Term:	1 to 3 years	1 to 3 years
For-Sale Term:	≤ 18 months	≤ 18 months
Rental Repayment:	Flexible: P&I; Interest Only; % Cash Flow	Flexible: P&I; Interest Only; % Cash Flow
For Sale Repayment:	Interest only w/ principal due upon sale	Interest only w/ principal due upon sale

Single Family Homeowner Programs

	Down Payment Assistance Loans	Owner Occupied Rehab Loans
Budget Allocation:	\$4,250,000	\$22,000,000
Program Delivery:	Down payment assistance loans to purchase homes.	Delivered through a “Program Provider Model” w/ Qualified General Contractors
Preferences:	Within (6) six months	Target Homeowners @ 80% AMI or less;
		Target permanently affordable homes
		1) Seniors, aged 55 & older
		2) Disabled Head of Households
		3) Veteran Head of Households
		4) Low Income Households (< 60% AMI)
Income Targeting:	120% AMI or less	60% AMI or less
Maximum Budget:	N/A	\$30,000 in Home Repairs (includes all repair costs, construction management and construction administration fees)
For Sale Maximum Purchase Price:	\$345,600	N/A
Residency Requirement:	Residency requirement; 5-year compliance review to confirm primary residency	Resident 5 years prior to application; 10-year affordability period post repair
Repayment Requirement:	Loan must be repaid upon the sale of the home.	Loan burns off 10% each year. Remaining balance due if property is sold inside of 10-year affordability period

Land & Property Acquisitions

	Terms
Budget Allocation:	\$8,000,000
Description:	Loans will be available to the City and its public sector agencies to acquire land and vacant property for affordable housing development/preservation within targeted areas of the City. Priority focus for permanently affordable housing.
Project Preference:	<ol style="list-style-type: none"> 1) Set-aside for Households at 50% AMI or less 2) Permanent Affordability 3) Located within 1 mile of Transit Stations
Income Targeting:	60% AMI or less (Rental) / 120% AMI or less (Homeownership)
Rent Restrictions:	Not to Exceed HUD Fair Market Rents
For Sale Maximum Purchase Price:	HUD Annual Purchase Price Limits
Maximum \$ per Project:	Up to \$5,000,000 or \$70,000 per proposed restricted unit whichever is less; minimum 50% of the usable land/property should be used for housing development
Minimum Set-Asides:	50% of Units
Target Rates:	TBD
Term:	≤ 24 months (Property should be ready for RFP w/in 12-24 months)
Repayment:	Interest Only (may be capitalized) w/ Loan Due At Construction, Refinance or Maturity

Appendix

2021 Housing Opportunity Bond Program Descriptions

2020 HUD MSA Income Limits & Rents and Invest Atlanta Maximum Sales Prices



2021 HOUSING OPPORTUNITY BOND PROGRAM

<i>Program Components</i>	<i>Program Descriptions</i>	<i>Funding</i>
Multifamily Loans	Multifamily Developer Loans	
	Acquisition and construction financing to nonprofit and for profit multifamily developers offering affordable rental workforce housing units in large scale development >70 units. Funds would be leveraged with conventional, bond or other private or public financing and used to acquire, construct, preserve and rehabilitate rental housing units that will serve households at 60% AMI or less.	\$ 15,000,000
	Small Multifamily Developer Loans	
	The Small Multifamily Loan Program would provide loans for the acquisition, development, construction, and rehabilitation of small multifamily properties (5 units to < 70 units), small mixed-use properties (Residential < 30 units + Retail/Commercial < 5,000 s.f.) with a focus on in-fill development. Durations vary according to the use of funds and property type.	\$ 8,000,000
Single Family Loans	Permanent Supportive	
	Deferred loans to nonprofit and for profit multifamily developers for the acquisition, construction or rehabilitation of permanent supportive housing units. Funds would be leveraged with conventional, bond or other private or public financing and will serve households at 50% AMI or less.	\$ 10,000,000
	Owner Occupied Housing Rehabilitation:	
	Owner Occupied Rehabilitation loans for existing homeowners to address critical repairs, major system, and accessibility. Loans will target households at 60% AMI or below, with priority given to seniors, disabled head of households, and military veteran head of households. The assisted property must be the primary residence of the applicant.	\$ 22,000,000
Land and Property Assemblage	Down Payment Assistance:	
	Down payment assistance loans up to \$20,000 to purchase homes. Loans will be deferred and accrue no interest with repayment due only upon sale, refinance (term only refinance permitted) or when the home is no longer occupied as the primary residence of the borrower. Priority for funding will be made for households at 80% AMI or below.	\$ 4,250,000
	Single Family Development (Developer Loans):	
Non Profit Affordable Housing Development Set-Aside	Acquisition and construction financing to nonprofit and for profit developers to construct or rehabilitate affordable 1 - 4 unit properties for households at or below 120% AMI. Priority focus for permanently affordable housing.	\$ 4,000,000
	Direct Acquisition:	
	Funds available to the City and its public sector agencies to acquire land and vacant property for affordable housing development within targeted areas of the City. Priority focus for permanently affordable housing.	\$ 8,000,000
Non Profit Affordable Housing Development Set-Aside	Land Assemblage Financing Fund:	
	Purchase participation interest in loans to non-profit and for-profit developers as they seek to assemble property for the development of affordable housing. Funds will be used to support acquisition and predevelopment cost. Priority focus for permanently affordable housing.	\$ 7,000,000
Non Profit Affordable Housing Development Set-Aside	Non-Profit Affordable Housing Development Loans	
	Funds set aside for eligible nonprofit developers for multifamily and single family affordable housing development and predevelopment.	\$ 15,000,000

2020 HUD MSA RENTS AND INVEST ATLANTA MAXIMUM SALES PRICE



**Invest Atlanta Workforce Housing Income Limits and Maximums
FY 2020 Multifamily Tax Subsidy Project (MTSP) Income Limit Area
FY 2020 Income Limit Area**

**Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area Median Income \$82,700
Effective Date April 1, 2020**

Area Median Income (AMI)	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% AMI	\$17,370	\$19,860	\$22,350	\$24,810	\$26,820	\$28,800	\$30,780	\$32,760
50% AMI	\$28,950	\$33,100	\$37,250	\$41,350	\$44,700	\$48,000	\$51,300	\$54,600
60% AMI	\$34,740	\$39,720	\$44,700	\$49,620	\$53,640	\$57,600	\$61,560	\$65,520
80% AMI	\$46,320	\$52,960	\$59,600	\$66,160	\$71,520	\$76,800	\$82,080	\$87,360
100% AMI	\$57,900	\$66,200	\$74,500	\$82,700	\$89,400	\$96,000	\$102,600	\$109,200
115% AMI	\$66,585	\$76,130	\$85,675	\$95,105	\$102,810	\$110,400	\$117,990	\$125,580
120% AMI	\$69,480	\$79,440	\$89,400	\$99,240	\$107,280	\$115,200	\$123,120	\$131,040
140% AMI	\$81,060	\$92,680	\$104,300	\$115,780	\$125,160	\$134,400	\$143,640	\$152,880
2020 Workforce Rental Housing Maximums								
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom			
Max Rent at 30% AMI	\$434	\$465	\$558	\$645	\$720			
Max Rent at 50% AMI	\$723	\$775	\$931	\$1,075	\$1,200			
Max Rent at 60% AMI	\$868	\$930	\$1,117	\$1,290	\$1,440			
Max Rent at 80% AMI	\$1,158	\$1,241	\$1,490	\$1,721	\$1,920			
2020 Workforce Owner Housing Maximums								
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom			
Max Sale Price at 60% AMI	\$104,220	\$111,690	\$134,100	\$154,890	\$172,800			
Max Sale Price at 80% AMI	\$138,960	\$148,920	\$178,800	\$206,520	\$230,400			
Max Sale Price at 100% AMI	\$173,700	\$186,150	\$223,500	\$258,150	\$288,000			
Max Sale Price at 120% AMI	\$208,440	\$223,380	\$268,200	\$309,780	\$345,600			
Max Sale Price at 140% AMI	\$243,180	\$260,610	\$312,900	\$361,410	\$403,200			



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