PUBLIC LAND FOR AFFORDABLE HOUSING: LAND ANALYSIS

Department of
CITY PLANNING

# Ongoing Public Land Development

- **Bowen Homes**
  Atlanta Housing

- **Herndon Square**
  Atlanta Housing

- **Murphy Crossing**
  BeltLine

- **Westside Future Fund Project**
  Invest Atlanta

- **Scholars Landing**
  Atlanta Housing

Herndon Square (former Herndon Homes) — Atlanta Housing

Progress so Far

- Convened cross-agency working group with Invest Atlanta, BeltLine, Atlanta Housing, and Land Bank

- Completed inventory and initial baseline analysis of public parcels

- Identified 4 City sites for initial pilot development (legislation at CDHS)
  - 104 Trinity Ave in partnership with Invest Atlanta
  - 3 single-family sites in partnership with the Land Bank
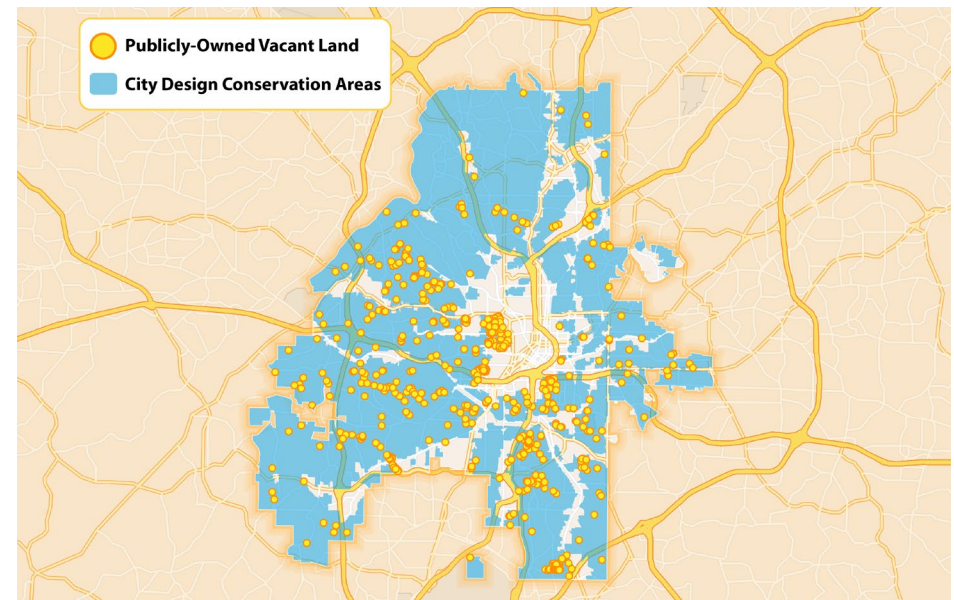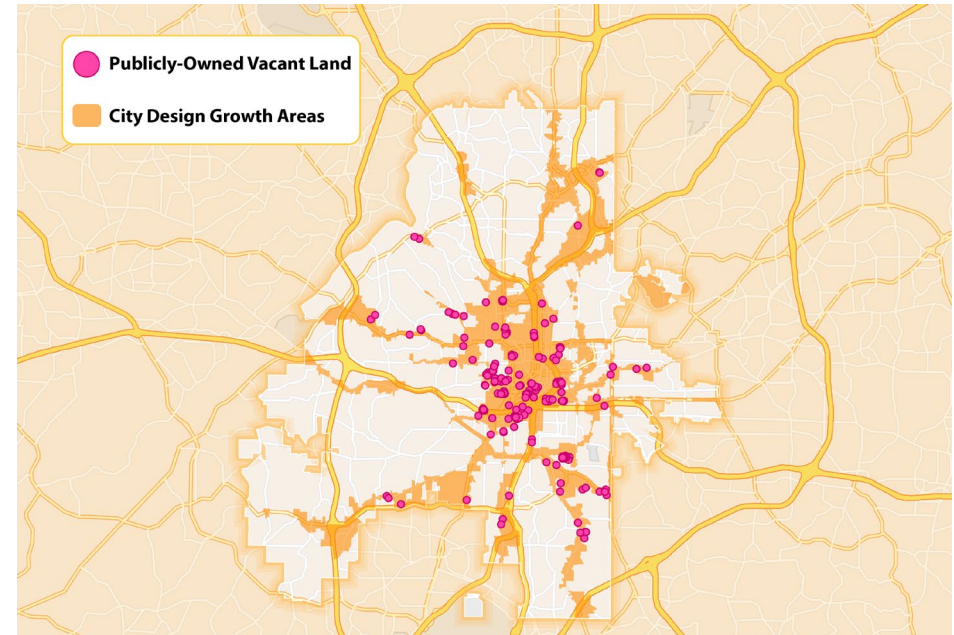
Timeline

Jun 2019   Mayor's Housing Affordability Action Plan released

Aug 2019   Initial public land baseline analysis begins

Sept 2020   Convened cross-agency public land working group

Dec 2020   Atlanta City Design Housing released

Mar 2021   Initial public land baseline analysis completed

Apr 2021   4 initial parcels disposition for activation
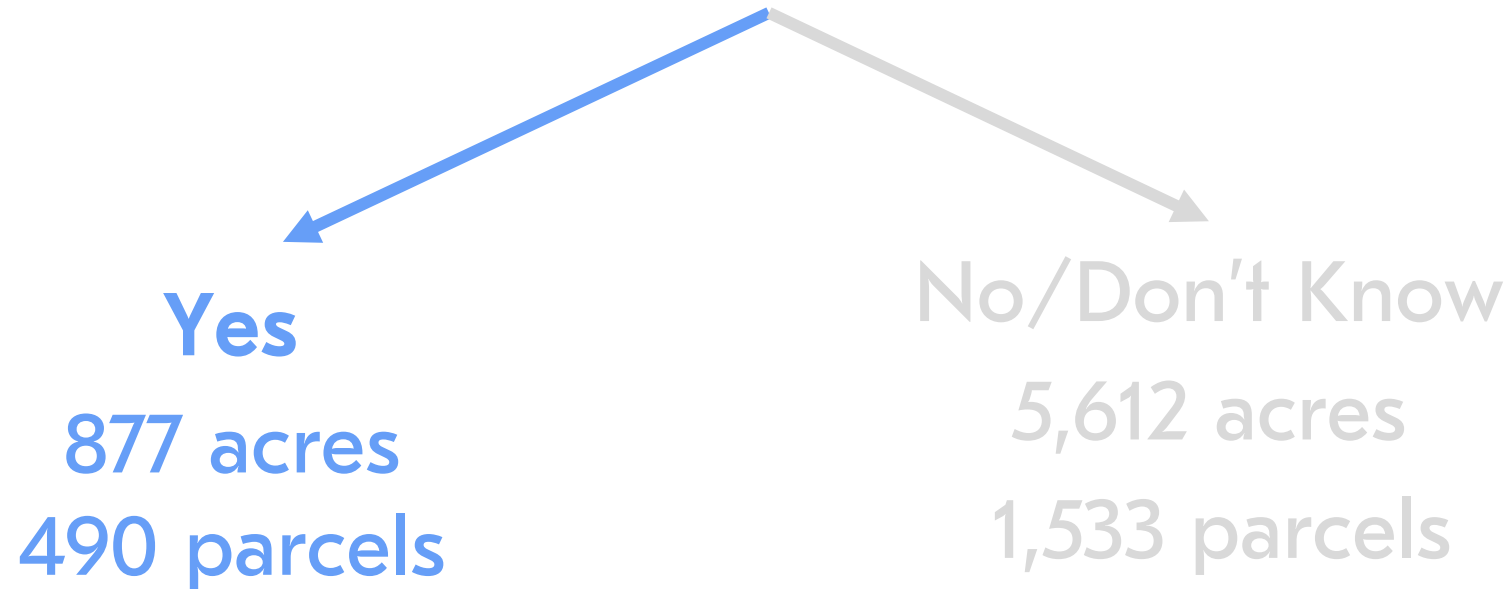
Collaborating Agencies

Total Publicly Owned Land

Excludes MARTA, Atlanta Public Schools, and Aviation.

6,489 acres
2,023 parcels

Already identified as suitable for affordable housing?

Yes

877 acres
490 parcels

No/Don't Know

5,612 acres
1,533 parcels

Total Vacant Publicly Owned Land

1,489 acres
978 parcels

Total vacant-only (unimproved) publicly owned land for City of Atlanta, Beltline, Land Bank, and Atlanta Housing, and Invest Atlanta *(excludes MARTA, Atlanta Public Schools and Aviation).*

A Vacant Property Tracker was Developed from the Initial Analysis

Through the land tracker, we were able to understand the following:

- Of all of the land, what is potentially suitable for affordable housing development?
- Of the parcels suitable for development, what is currently in the pipeline?
- Of the parcels in the pipeline, what stage of development

| Development Stage	Atlanta Housing Authority	BeltLine	City of Atlanta	Invest Atlanta	Land Bank	Total	%
Stage 1: Under consideration/ pre-development	25	8	8	0	16	57	12%
Stage 2: Procurement / development process underway	0	0	0	2	0	2	0%
Stage 3: Development approvals	232	0	0	26	1	259	53%
Stage 4: Activation / development	0	0	0	4	5	9	2%
Stage 5: Completion / unit availability	124	0	0	1	0	125	26%
No Plans	10	0	0	26	2	38	8%
Total	391	8	8	59	24	490	100%

Sites Identified as Suitable for Housing by Agency

- Atlanta Housing has the highest number of housing parcels identified as suitable because they have focused on maximizing land use for housing.

- The City of Atlanta controls the most land, but determining those that are suitable for housing is a continued focus.

Agency	Total Parcels	Identified as Suitable Parcels	% of Total Identified as Suitable
Atlanta Housing Authority	425	391	92%
BeltLine	26	8	31%
City of Atlanta	1,345	8	1%
Invest Atlanta	125	59	47%
Land Bank	102	24	24%
Total	2,023	490	24%

Identified Challenges to Activating Land

- **The City controls significant vacant and public land, and a coordinated interagency process is required to activate it.**

- The City needs to better analyze and position the parcels that have not already been identified as suitable.

Interagency process required to activate land

Need to better analyze parcels
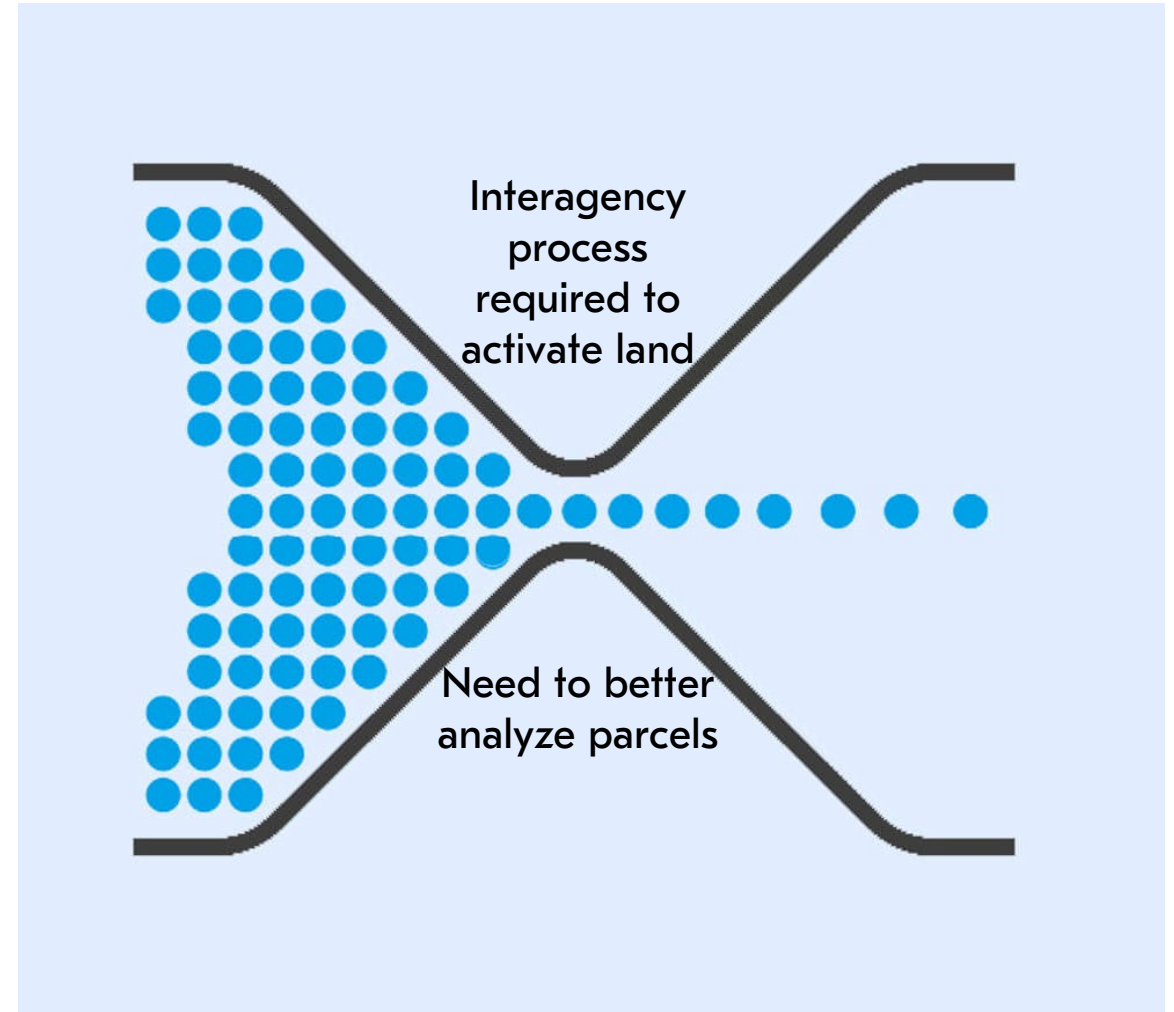
A Note on Construction Financing

- Critical need for all dedicated affordable housing development

- Existing financing tools for affordable housing development

  - Housing Bond
  - Low-Income Housing Tax Credit
  - Urban Enterprise Zone
  - Lease-Purchase Bond

- To access these funding sources, public land needs funding to support predevelopment work to identify and prepare viable sites

The City controls most of the land, and a coordinated interagency process is required to activate it.

Solution: Coordinated Interagency Process

1. Site selection and pre-development by City Planning
   - Planning, design, financial feasibility, and programming support to project via Housing Innovation Lab

2. Disposition for activation by public agencies
   - Based on size/type of site
   - Small, single-family sites to the Land Bank
   - Large multi-family sites to Invest Atlanta
   - Sites near the BeltLine or large Atlanta Housing properties to respective agencies

Interagency Development Principles

	Development Principle
Community Engagement	Engagement throughout the public land activation process to ensure the community's needs are voiced and incorporated into long-term project outcomes.
Duration	Prioritize long-term affordability and asset stability through viable operating models.
Control	Prioritize retaining public ownership of land through agreements like long-term ground leases
Design	Prioritize neighborhood and community development with sustainable design and lifestyle affordability (access to transit, energy burden).
Affordability	Provide housing affordability at various levels depending on community needs and type of property (shared equity vs. rental, senior, etc.).
Innovation	Pursue innovative housing design and financing models on public land to stimulate development of new housing types/building methods in the market and reduce development costs.

Housing Innovation Lab

- Fills critical role in the disposition of City properties

- Site design support is a need of partner agencies

- Prioritize innovative housing solutions on public land

- Financial feasibility assessment and modeling for sites

- Housed in City Planning, but positioned to support all public agencies develop sites

- More cost-efficient to hire in-house, modeled on The Atlanta City Studio

DETACHED MULTI-FAMILY

QUADPLEXES WITH SHARED PARKING
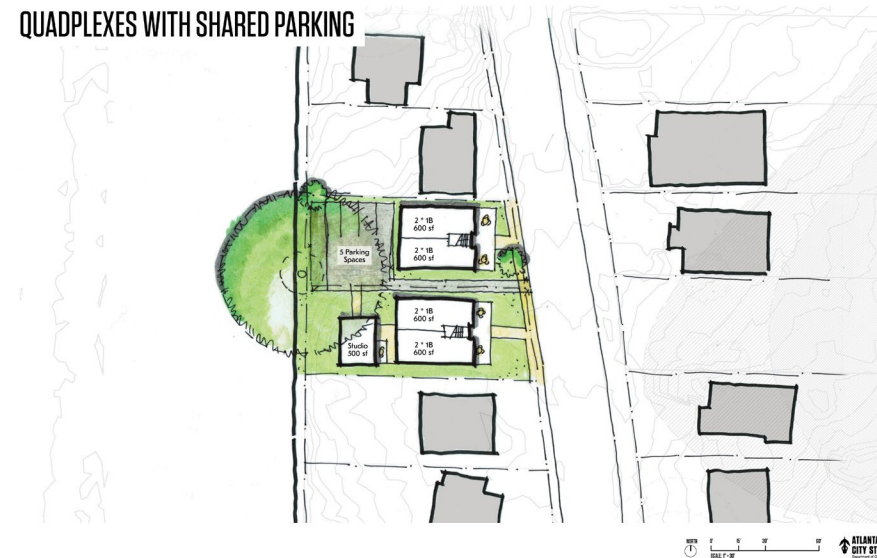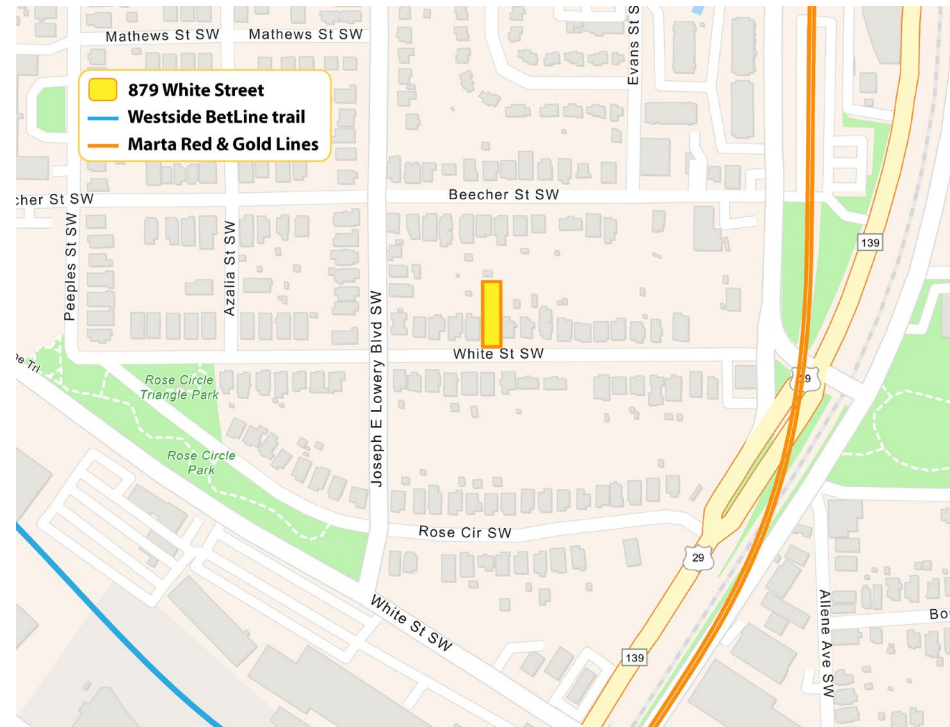
Example #1: 3 Single-Family Sites
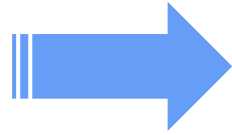
Community Land Trust

3 properties:

- 879 White St SW – 0.21 acres
- 1154 Edgefield Dr SW – 0.25 acres
- 1241 Almont Dr SW – 0.20 acres

Activation:

- Partner with Land Bank and community land trust to develop for permanent for-sale affordable housing via shared-equity model.

879 White Street
Westside BetLine trail
Marta Red & Gold Lines

Example #2: Multi-Family Sites

RFP for development of long-term affordable housing

3 Property:

- 104 Trinity Ave (0.9 acres)

Activation:

- Partner with Invest Atlanta to identify developer via RFP for mixed-use high-density development on prime downtown site
- Estimated $50k in pre-development costs prior to RFP release

Identified Challenges to Activating Land

- The City controls significant vacant and public land, and a coordinated interagency process is required to activate it.

- **The City needs to better analyze and position the parcels that have not already been identified as suitable.**

Interagency process required to activate land

Need to better analyze parcels
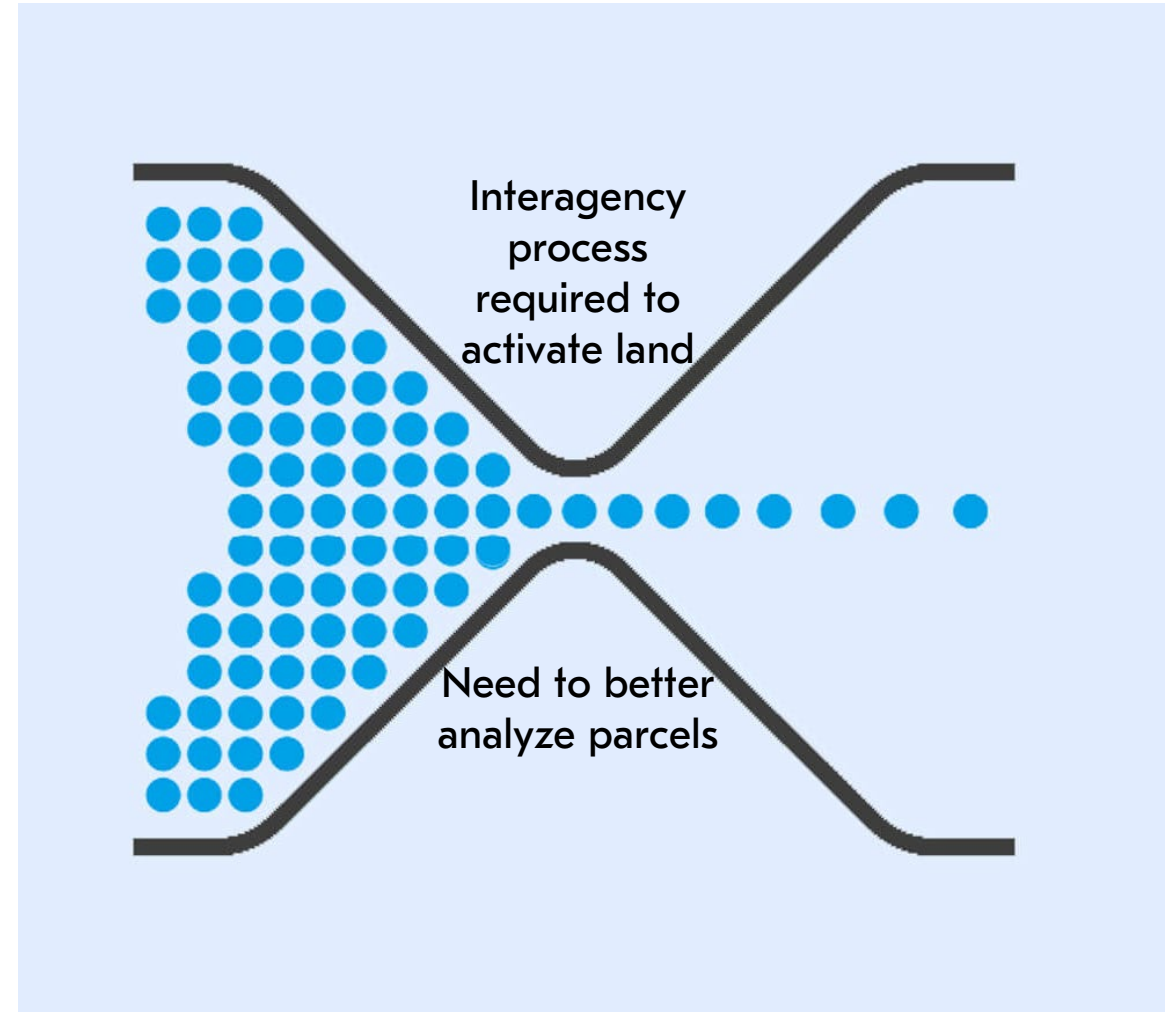
The City needs to better analyze and position the parcels that have not already been identified as suitable.

Solution: Asset Mapping Advisory Council

- Advisory Council will explore best practices from other cities in asset valuation and recommend next steps for the city.

- DCP, DEAM, Invest Atlanta, Atlanta Housing, BeltLine, and other key organizations on taskforce.

- Will work with for-profit and non-profit developers, asset managers to develop recommendations.
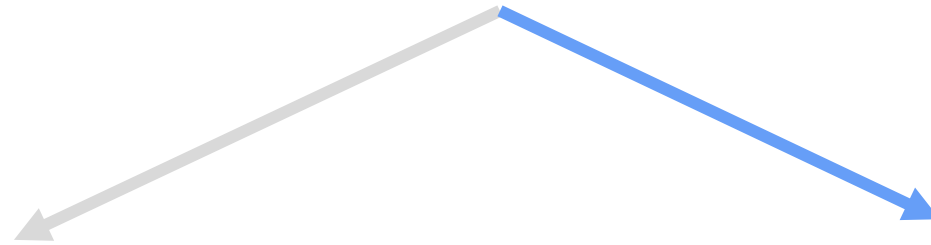
- Report to Mayor on findings.

Unlocking the Full Value of Our Public Land

6,489 acres
2,023 parcels

Suitable for affordable housing?

Yes

877 acres

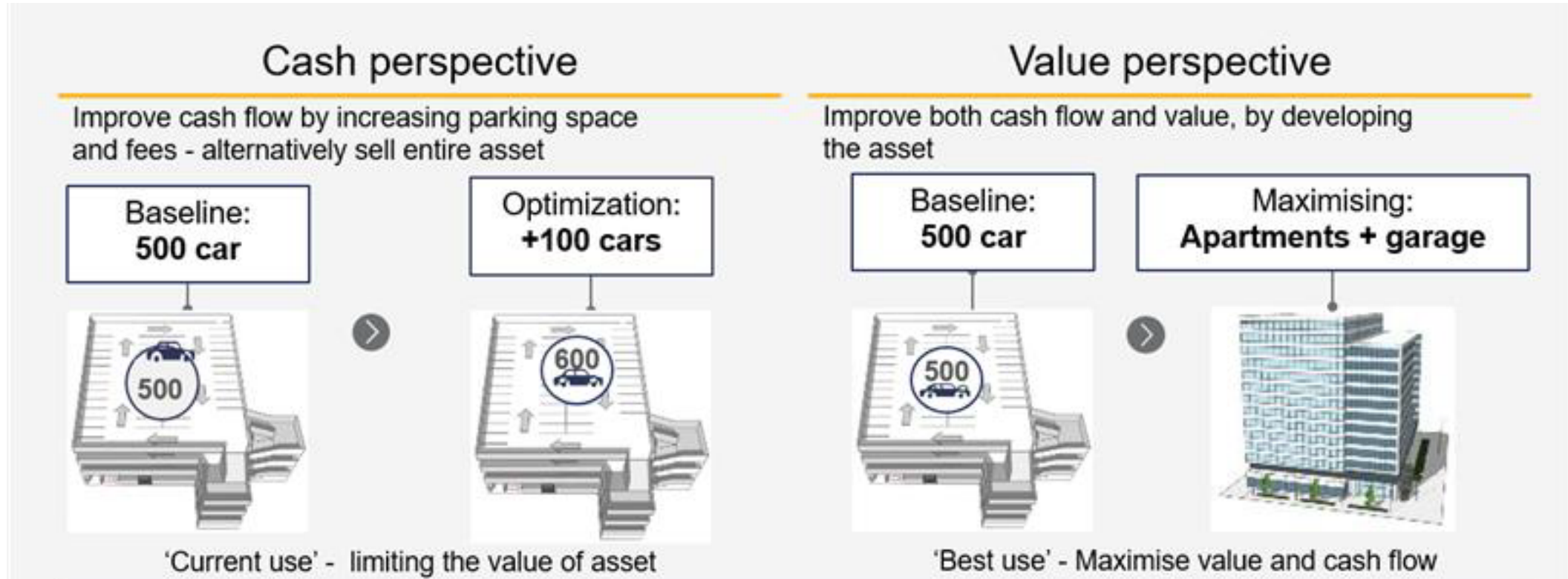490 parcels

No/Don't Know

5,612 acres

1,533 parcels

Case study: Garnett Site — Adjacent to MARTA but current use is fleet parking.

Recent comps in the area have valued similar parcels at a median price of $2.7 M and as high as $7.4 M.

Valuation Problem

Cash perspective
Improve cash flow by increasing parking space and fees - alternatively sell entire asset

Baseline: 500 car

Optimization: +100 cars

'Current use' - limiting the value of asset

Value perspective
Improve both cash flow and value, by developing the asset

Baseline: 500 car

Maximising: Apartments + garage

'Best use' - Maximise value and cash flow

"Both/And" Strategy — Develop City sites to meet multiple needs, and generate cash flows to support long-term maintenance and other City initiatives and programs.

Reevaluating our Approach to Valuing Public Assets

- Asset mapping helps cities better utilize public lands to create passive income streams.

- Asset mapping involves:

  - Complete inventory and tracing of all real estate assets.
  - Proper market valuation of the assets using financial modeling techniques.

- Prioritize equity and affordability objectives with revenue generation.

- Atlanta can unlock its vast public wealth and use its assets to generate income to fund affordable housing and other public goods.

Known value of public assets

Unrealized value of public assets
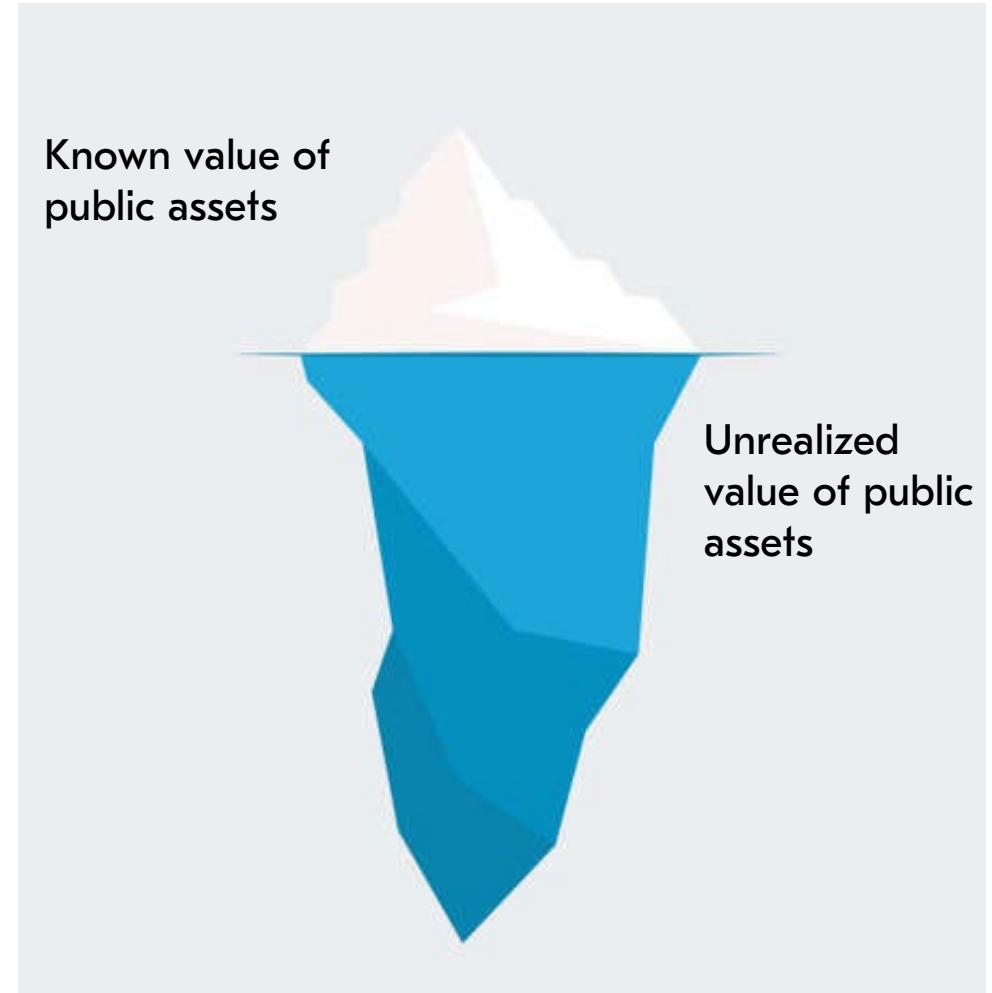
Case study: Boston

Public Asset Management Projections

City	Boston
Source	International Monetary Fund*
Book Value (current valuation)	
Assets	$3.8B
RE Assets	$1.4B
Liabilities	$4.6B
Market Value (potential valuation)	
RE Only	$55B
Book Value Multiple	40x
Annual Revenue	
at 3% Yield	$1.7B
Current Capital Plan	$400M
Capital Plan Multiple	4x

* https://www.imf.org/external/pubs/ft/fandd/2018/03/detter.htm

Next steps

- 4 test sites moving for activation today.

  - 3 SF to Metro Atlanta Land Bank for long-term affordable homeownership.
  - 1 MF infill site to Invest Atlanta for development of mixed-use/mixed-income housing.

- Staffing and launch of Housing Innovation Lab in summer/fall 2021.

  - Prioritize and pre-develop first batch of parcels for agency disposition and development.

- Mayor's Asset Mapping Task Force.

  - 1-year study will conclude with recommendations to Mayor on next steps for improved public land valuation and cost estimates.