

Affordable Housing Impact Statement

Land Use Element Change for CDP-16-35

Requirements

Per the requirements of Ordinance 14-O-1614, Affordable Housing Impact Statements shall include a quantitative or numeric section that shall provide numeric estimates of impacts, quantifying numbers of units impacted at certain levels of affordability over the thirty year period following the enactment of the legislation; and a narrative section to provide an explanation of the analyses that led to the estimates.

Where the estimates are derived from existing grant applications or the basis of those estimates are otherwise straightforward, the narrative section shall state as such. Where the proposals being considered require the Office of Housing to draw upon their experience and expertise to come up with a projected impact, the narrative section shall specify what assumptions were used in creating the estimates.

Quantitative/Numeric Section

This legislation, if enacted, is estimated to have a projected impact upon the affordable housing stock of the City of Atlanta over the thirty year period following the enactment of the legislation by:

Adding 0 or decreasing 0 units affordable at 30 or below percent of the City of Atlanta Area Median Income (AMI); and

Adding 0 or decreasing 0 units affordable between 30.01 and 50 percent of AMI; and

Adding 0 or decreasing 0 units affordable at between 50.01 and 80 percent of AMI; and

Adding 7 or decreasing 0 units affordable at over 80 percent of AMI.

Narrative Section

The application for rezoning and a corresponding land use element change seeks to redesignate property located at 1625 Mclendon Avenue NE from single family residential land use designation to the mixed use low density land use designation. A multifamily apartment complex with four units is currently on the property and would be renovated. An additional two or three units, likely in the form of townhouses, would be constructed on an undeveloped corner of the property and sold for homeownership.

It is estimated that 4 renovated apartments will be rented at approximately \$1,500. Because the US Department of Housing and Urban Development (HUD) defines affordable housing as housing that costs no more than 30% of a household's income, the maximum affordable rent of a household is 30% of its income divided by 12 (for each month of the year). With an Area Median Income (AMI) of \$67,500 for

the Atlanta Metropolitan Statistical Area (MSA) as of FY 2016, rents affordable to households at various percentages of AMI are listed in the table below.

Affordable Rent by Percentage of AMI		
Percentage of AMI Earned by a Household	Income for a Household at this Percentage of AMI	Maximum Affordable Rent Based on Percentage of AMI
80%	54,000	1,350.00
50%	33,750	843.75
30%	20,250	506.25

The estimated rent of \$1,500 is above the monthly affordable housing costs per month for households at 80% of AMI.

The for-sale units are estimated to sell between \$350,000 and \$450,000. Homeowner units are considered to be affordable to households when they are purchased at a price that is three times a household's income. The following table shows home prices that are affordable to households at various percentages of AMI.

Affordable Home Price by Percentage of AMI		
Percentage of AMI Earned by a Household	Income for a Household at this Percentage of AMI	Maximum Affordable Home Purchase Price Based on Percentage of AMI
80%	54,000	162,000
50%	33,750	101,250
30%	20,250	60,750

The estimated home purchase prices of \$350,000 to \$450,000 are above the affordable prices for households at 80% of AMI.

Because neither the rental nor for-sale units are affordable at households at or below 80% of AMI, the land use amendment will not increase affordable housing.