

Affordable Housing Impact Statement

Land Use Element Change for 17-O-1299/CDP-17-06

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

Adding 68 or decreasing 0 units affordable at between 50.01 and 80 percent of AMI; and

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

Narrative Section

The land use would be amended to redesignate certain properties in the English Avenue neighborhood from various land uses to the Medium-Density Residential. The land use amendment would apply to 14 parcels that mostly contain blighted, vacant residential structures. This land use amendment is part of a partnership by Invest Atlanta, the Department of City Planning, and the Atlanta Police Foundation to redevelop the English Avenue neighborhood. The purpose of the partnership is to remove or rehabilitate these properties for use as police cadet housing or as housing units for the general public. Most of the properties are currently owned by the Land Bank and would be acquired by Invest Atlanta or the Atlanta Police Foundation. Due to the current housing stock being vacant, no housing units will be eliminated by this land use amendment.

The current housing stock is comprised of 12 multifamily structures with a total of 74 units, as well as a vacant single-family house and a vacant lot. There are 10 structures with 6 units each, and 2 structures with 8 units each. The English Avenue Community Redevelopment Plan Update of 2006 recommends renovating the multifamily housing stock of the neighborhood. The plan describes medium-density residential buildings as being 2-4 stories with 12-36 units per acre. Given the plan's vision for medium residential buildings and the proposed land use amendment accommodating greater density, it is likely that the new multifamily developments will be denser. To develop a conservative estimate, it is projected that current multifamily structures will be replaced with 12-unit structures. This would lead to an increase of 4 or 6 units for each multifamily structure, for a total estimated increase of 68 multifamily rental units. It is also assumed that the vacant house and vacant lot will each have single-family homes developed on them. This would be in accordance with the plan's vision to maintain a primarily single-family housing stock in English Avenue.

In order to determine the affordability of the future housing stock, potential rental and homeownership units will be considered separately. It is assumed that any new housing produced will be rented or sold at market-rate for the neighborhood. However, since Invest Atlanta and the Atlanta Police Foundation will be acquiring most of these properties from the Land Bank, it is possible that explicit affordability requirements will be implemented given the public and nonprofit missions of these organizations.

The US Department of Housing and Urban Development (HUD) describes affordable housing as housing that costs no more than 30% of a household's income. However, when calculating income limits for rental units, HUD also considers family size. The objective of this method is to accommodate the greater and lesser resources consumed by larger and smaller families, respectively. The maximum affordable rent for households at these incomes is then calculated by dividing by 12, for each month of the year, and then taking 30% of that quotient:

$$(\text{Household Income}) \div (12) \times (0.3) = \text{Affordable Rent for that Household}$$

The following table shows the affordable rent for families of various sizes at the relevant percentages of AMI. If a calculated rent had cents, it was rounded to the nearest whole number.

Family Size	AMI Category	Household Income	Maximum Affordable Rent Based on Percentage of AMI
1	30%	\$14,650	\$366
	50%	\$24,400	\$610
	80%	\$37,800	\$945
2	30%	\$16,750	\$419
	50%	\$27,900	\$698
	80%	\$43,200	\$1,080
3	30%	\$20,420	\$511
	50%	\$31,400	\$785
	80%	\$48,600	\$1,215
4	30%	\$24,600	\$615
	50%	\$34,850	\$871
	80%	\$54,000	\$1,350

According to data from Zillow, current as of April 2017, the median rent in English Avenue is \$995. The size of families that will be accommodated by future housing is not currently known. However, because HUD uses a four-person family as the default family size for income limit calculations, this calculation assumes that the new housing will accommodate four-person families. This means that the 68 projected new rental units are estimated to be affordable to households at or below 80% of AMI, based on the table above.

With regards to any future single-family for-sale housing, HUD defines such housing as affordable when the purchase price is no more than three times a household's annual income. As with rental units, the income limits provided by HUD are used as a basis for examining housing affordability:

$$(\text{Household Income}) \times (3) = \text{Affordable Home Price for that Household}$$

Home purchase prices affordable to households at various percentages of AMI are listed in the table below.

Family Size	AMI Category	Household Income	Maximum Affordable Home Purchase Price Based on Percentage of AMI
1	30%	\$14,650	\$43,950
	50%	\$24,400	\$73,200
	80%	\$37,800	\$113,400
2	30%	\$16,750	\$50,250
	50%	\$27,900	\$83,700
	80%	\$43,200	\$129,600
3	30%	\$20,420	\$61,260
	50%	\$31,400	\$94,200
	80%	\$48,600	\$145,800
4	30%	\$24,600	\$73,800
	50%	\$34,850	\$104,550
	80%	\$54,000	\$162,000

Data on home values in English Avenue were unavailable. However, data on homes in the adjacent Vine City neighborhood were obtained from Zillow. This data showed the median home value in Vine City to be \$79,100 as of April 2017. As with rental units, the size of families that will be accommodated by future housing is not currently known. However, because HUD uses a four-person family as the default family size for income limit calculations, this calculation assumes that the new housing will accommodate four-person families. This means that the projected 2 for-sale homes are estimated to be affordable to households at or below 50% of AMI, based on the table above.