

Affordable Housing Impact Statement

Land Use Element Change for 17-O-1765/CDP-17-32

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 3 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 347 or decreasing 0 units affordable at between 50.01 and 80 percent of AMI; and

Adding 453 or decreasing 0 units affordable at over 80 percent of AMI.

Narrative Section

The Land Use will be amended from High Density Residential, Mixed-Use, and Open Space to Mixed Use for several parcels along and near Donald Lee Hollowell Parkway. The developer anticipates constructing up to 800 multifamily residential rental units. These units would likely be a mix of studios, one-bedroom units, and two-bedroom units.

The current site consists largely of vacant land with abandoned industrial buildings, but there are seven single-family homes on the site. These homes have been purchased by the Northwest Atlanta Land Fund. Three of these homes are occupied. These homes are of similar size and design, so a sampling of two properties were taken to see their value. According to the property records of the

Fulton County Tax Assessor, 645 Elbridge Drive and 669 Elbridge Drive are worth \$15,700 and \$20,000 respectively.

The US Department of Housing and Urban Development (HUD) defines affordable for-sale housing as housing that costs no more than three times a household's income. Home purchase prices affordable to households at various percentages of AMI are listed in the table below.

Household 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%	\$39,050	\$117,150
2	30%	\$16,750	\$50,250
	50%	\$27,900	\$83,700
	80%	\$44,600	\$133,800
3	30%	\$18,850	\$56,550
	50%	\$31,400	\$94,200
	80%	\$50,200	\$150,600
4	30%	\$20,900	\$62,700
	50%	\$34,850	\$104,550
	80%	\$55,750	\$167,250

As the table above shows, the home values examined are affordable to households at or below 30% of AMI at any household size. Therefore, this land use amendment will eliminate 3 units of owner-occupied housing that are affordable to households at or below 30% of AMI. The 4 vacant housing units are not considered a loss to the affordable housing stock of the City.

The developer will set aside either 10% of the total units for households at or below 60% of AMI or 15% of the total units for households at or below 80% of AMI. For the purposes of this analysis, it is assumed that the developer will construct 15% of the units for households at or below 80% of AMI. This will amount to 120 units.

For the remaining units, the developer estimates market-rate rents somewhere between \$1.50 or \$2.00 per square foot. The US Department of Housing and Urban Development (HUD) describes affordable rental housing as housing that costs no more than 30% of a household's income. The following table derived from HUD data, shows the affordability of different rents to households at the relevant percentages of AMI.

Family Size	AMI Category	Household Income	Maximum Affordable Rent Based on Percentage of AMI
1	30%	14,650	366
	50%	24,400	610
	80%	39,050	976
2	30%	16,750	5,025
	50%	27,900	698
	80%	44,600	1,115
3	30%	18,850	471
	50%	31,400	785
	80%	50,200	1,255

Because the ultimate size of the units is currently unknown, the future rents of the units cannot be determined based on the information provided by the developer. To determine the rent of the future units, data from Zillow was examined. As of September of 2017, the median rent for the surrounding Grove Park neighborhood is \$1,024. This would be an affordable rent for households of 2 that are between 50% and 80% of AMI and who would presumably be living in a 2-bedroom apartment. However, this rent would be slightly above the affordable rent for a household of 1 that is between 50% and 80% of AMI and who would presumably be in a studio or 1-bedroom. Therefore, it is assumed that the 680 market-rate units will be divided evenly between studios, 1-bedroom units, and 2-bedroom units. This would lead to about 227 two-bedroom units (1/3 of all market-rate units) being affordable to households between 50% and 80% of AMI. Combined with the 120 units above that will be set aside, a total of 453 units are estimated to be created that are affordable to households between 50% and 80% of AMI. The remaining 347 units will be affordable to households above 80% of AMI.