

Affordable Housing Impact Statement

Land Use Element Change for 18-O-1131/CDP-18-09

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

Adding 22 or decreasing 0 units affordable between 30.01 and 50 percent of AMI; and

Adding 55 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 will be amended for the properties on Hasty Place and West Lake Avenue. The developer will construct a total of 110 apartments. The properties currently contain two vacant lots and two vacant houses.

The methodology below is used to determine the affordability of the proposed units for households at certain percentages of AMI.

Affordability Calculations

The affordability of units at various levels of AMI, whether for rent or sale, is calculated by first examining the income limits provided by the US Department of Housing and Urban Development

(HUD). These income limits are published annually for each Metropolitan Statistical Area (MSA). The income limits provided by HUD in April of 2017 for the Atlanta MSA are shown below:

Income Limits by Household Size						
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% AMI Limit	14,650	16,750	18,850	20,900	22,600	24,250
50% AMI Limit	24,400	27,900	31,400	34,850	37,650	40,450
80% AMI Limit	39,050	44,600	50,200	55,750	60,250	64,700

To determine the affordable rent or home sales price for households at each level of AMI, it is assumed that an average of 1.5 persons will reside in each bedroom.

Following this, the number of persons estimated to live in units with different numbers of bedrooms is determined by multiplying the number of bedrooms by 1.5. See the table below for this calculation:

Calculation of Assumed Household Size from Unit Bedroom Count						
Number of Bedrooms	0 (Efficiency/Studio Apartment)	1	2	3	4	
Assumed Household Size	1	1.5	3	4.5	6	

This income limit is then taken for the household size that corresponds to the number of bedrooms in the unit, as show in the table above. If the assumed household size is not a whole number, the income limits that correspond to households for the nearest two whole numbers are averaged.

Affordable Rent Calculation

The calculation of affordable rents depends on the number of bedrooms in a unit. It is assumed that there will be 1.5 persons for each bedroom. Following this, the number of persons estimated to live in units with different numbers of bedrooms is determined to select the income limit that will apply to the AWHU. See the table below for this calculation.

Number of Bedrooms	0 (Efficiency/Studio)	1	2	3	4
Assumed Household Size	1	1.5	3	4.5	6

This income limit is then taken for the household size that corresponds to the number of bedrooms in the unit, as show in the table above. If the assumed household size is not a whole number, the income limits that correspond to households for the nearest two whole numbers are averaged. Following this, that income limit is multiplied by 0.3 to cap rent at 30% of household income, divided by 12, and rounded down to the nearest whole number to find the monthly rental cap. See the examples below.

Studio/Efficiency Calculation for 80% of AMI

0 Bedroom (1.5 Person) = 1 Person Income Limit

$$39,050 (0.3) = 11,715$$

$$11,715 / 12 = 976.25$$

Rounded down = \$976 maximum rent

1 Bedroom Calculation for 80% of AMI

1 Bedroom (1.5 Person) = 1.5 Person Income Limit

$$(39,050 + 44,600) / 2 = 41,825$$

$$41,825 (0.3) = 12,547.50$$

$$12,547.50 / 12 = 1045.63$$

Rounded down = \$1,045 maximum rent

The following rent limits would apply under this methodology:

Affordable Rents Based on HUD Data Released April 2017					
Number of Bedrooms	Efficiency	1 BR	2 BR	3 BR	4 BR
30% AMI	366	392	471	543	606
50% AMI	610	653	785	906	1,011
80% AMI	976	1,045	1,255	1,450	1,617

Impact

The developer specializes in affordable housing, and they have committed to maintaining at least 60% of the units (66 units) affordable to households at or below 60% of AMI. It is not possible to determine how many of these units will go to households below 50% of AMI as opposed to households from 51% to 60% of AMI. This will simply be a function of who approaches the

property management in search of a lease. Therefore, it is assumed for this analysis that the units are distributed amongst the different levels of AMI evenly. This would put one-sixth of the 66 affordable units in the 51% to 60% of AMI range. This would leave 22 units affordable above 30% but below 50% of AMI and 33 units affordable at or below 30% of AMI.

The remaining units (44 units) are going to be market-rate. However, they are expected to be affordable to households at or below 80% of AMI, with the expected rent for a one-bedroom to be \$1,000. However, these 44 units could eventually exceed the affordable rent if the housing market of the surrounding Grove Park neighborhood becomes stronger.

No decrease in housing is anticipated because the existing housing is vacant and the remaining properties are vacant lots with no structures.