

## **Affordable Housing Impact Statement**

### **Land Use Element Change for 18-O-1139/CDP-18-04**

#### **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   6   or decreasing   0   units affordable at over 80 percent of AMI.

#### **Narrative Section**

The land use will be amended for the property at 2621 Shady Valley Drive. The developer anticipates constructing 6 townhomes. The property is currently a vacant lot.

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:

<b>Income Limits by Household Size</b>						
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% AMI Limit	14650	16750	18850	20900	22600	24250
50% AMI Limit	24400	27900	31400	34850	37650	40450
80% AMI Limit	39050	44600	50200	55750	60250	64700

To determine the affordable rent or home sales price for households at each level of AMI, the following two assumptions are made:

- 1) Housing is affordable when it costs no more than 30% of a household's gross income.
- 2) An average of 1.5 persons will reside in each bedroom of a rental unit.

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:

<b>Calculation of Assumed Household Size from Unit Bedroom Count</b>					
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.

### **Affordable Homeownership Calculation**

HUD defines affordable for-sale housing as housing that costs no more than three times a household's income. The calculation of the affordable home price assumes that there will be 1.5 persons per bedroom in the home. Home purchase prices affordable to households at various percentages of AMI are listed in the table below.

<b>Affordable Home Price by Bedroom Count</b>					
	Studio	1 BR	2 BR	3 BR	4 BR

30% Limit	AMI	43,950	47,100	56,550	65,250	72,750
50% Limit	AMI	73,200	78,450	94,200	108,750	121,350
80% Limit	AMI	117,150	125,475	150,600	174,000	194,100

**Impact**

The 6 townhomes will each have 3 bedrooms. They are estimated to sell in the range of \$500,000-\$800,000 each. This exceeds the maximum affordable home purchasing price of \$174,000 for a 3-bedroom unit at 80% of AMI. Therefore, the 6 units will not be affordable to any households at or below 80% of AMI. No housing will be eliminated as the lot is currently vacant.