

Affordable Housing Impact Statement

Z-18-034

Requirements

Per the requirements of the City of Atlanta, Georgia Code of Ordinances, Chapter 54, Article I, Section 54-2, 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 Area Median Income (AMI) 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.

Narrative Section

The zoning will be changed from I-2/BL (Light Industrial/BeltLine Overlay) to MR-4B/BL (Multifamily Residential/BeltLine Overlay) for the property located at 912 Booth Street. The Developer proposes the construction of seventy (70) new townhomes.

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

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

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

Adding 70 , preserving 0 , or decreasing 0 units affordable at over 80 percent of AMI.

Impact

The developer anticipates that the seventy (70) new townhomes will be for sale between \$375,000.00 - \$440,000.00 each. This exceeds the affordable home price for households of all sizes at or below eighty percent (80%) of AMI, meaning that seventy (70) units of housing will be created that are affordable to households above eighty percent (80%) of AMI. The land is currently zoned as industrial and contains no housing; therefore, no housing will be eliminated or preserved as result of this zoning change.

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

Methodology for Calculating Affordability

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 2018 for the Atlanta MSA are shown below:

INCOME LIMITS BY HOUSEHOLD SIZE, FY 2018						
(BASED ON HUD’S AMI OF \$74,800 FOR THE ATLANTA MSA, RELEASED APRIL 2018.)						
Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% AMI Limit	15,750	18,000	20,780	25,100	29,420	33,740
50% AMI Limit	26,200	29,950	33,700	37,400	40,400	43,400
80% AMI Limit	41,900	47,900	53,900	59,850	64,650	69,450

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

- 1) Rental housing is affordable when it costs no more than 30% of a household’s gross income. Households that pay more than this toward housing costs are considered cost-burdened by HUD.
- 2) Homeownership units are affordable when the purchase price is no more than three times a household’s annual income.
- 3) An average of 1.5 persons will reside in each bedroom of a residential 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:

CALCULATION OF ASSUMED HOUSEHOLD SIZE FROM UNIT BEDROOM COUNT					
Number of Bedrooms	0	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. Affordable home purchase prices are determined by identifying the appropriate income limit, as explained above, and multiplying it by 3. Home purchase prices affordable to households at various percentages of AMI are listed in the table below:

AFFORDABLE HOME PRICE, FY 2018					
(BASED ON HUD’S AMI OF \$74,800 FOR THE ATLANTA MSA, RELEASED APRIL 2018.)					
Number of Bedrooms	Studio/ Efficiency	1 BR	2 BR	3 BR	4 BR
30% AMI Limit	47,250	50,625	62,340	81,780	101,220
50% AMI Limit	78,600	84,225	101,100	116,700	130,200
80% AMI Limit	125,700	134,700	161,700	186,750	208,350

DISCLAIMER STATEMENT

Please be mindful that this analysis of the legislation is based on a summary of the information provided by the Developer who requested the rezoning/land use amendment and in some cases, on public real estate data obtained from the Internet. The analysis does not extend through the next 30 years as required by the City of Atlanta, Georgia Code of Ordinances, Chapter 54, Article I, Section 54-2 because it is impossible to estimate the affordability of market-rate housing beyond

the initial lease-up or sale of the units. In addition, any changes to a zoning/land use will apply to any future developments, not just the initial development proposed by the current Developer applicant. Therefore, the Office of Housing and Community Development cannot estimate any future development that may take place on parcel(s) not within this Developer's scope of work.

With respect to the accuracy of any and all initial estimates of affordability, the estimates that are provided for initial developments are largely dependent on the honesty of developers and their willingness to provide the most accurate available data. Data on potential rent, sales price, units to be constructed, the number of bedrooms per unit, etc. are subject to change as developers assess market conditions prior to and throughout construction. Therefore, this data should not be used as a basis to form any quantitative conclusions. For data that may better reflect Developer's final building plans, please refer to the issued building permit.