

THE FUTURE OF ATLANTA'S HOUSING OPPORTUNITY FUND

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INTRODUCTION

In 2007, the city of Atlanta approved a general obligation bond issuance to assist in the creation of workforce housing. Even in challenging economic times, the \$13.5 million in expended funds has leveraged more than \$94.4 million in private money and created over 1,200 units of quality workforce housing.

In the past the general fund was the only source of revenue for the Housing Opportunity Fund, but this is proving to be an unreliable solution. To become a sustainable tool in incentivizing workforce housing in Atlanta, it is necessary to identify alternative revenue sources. This report explores potential revenue sources for the Housing Opportunity Fund, as well as the future allocation breakdown for when the trust fund is revitalized. The primary sources for recommendations were two separate surveys. The first (Affordable Housing Trust Fund Survey) was conducted at the end of 2011, which asked practitioners across the United States about their experience working with affordable housing trust funds. The second survey (Housing Opportunity Fund Allocation Survey) was conducted in February 2012, and asked Atlanta housing practitioners, policy makers, and professors their opinions about past and future allocations of Housing Opportunity Fund money.

HOUSING OPPORTUNITY FUND

On April 11, 2007 the Urban Residential Finance Authority issued \$35,000,000 of Georgia Taxable Revenue Bonds, and the proceeds went to the Housing Opportunity Fund. Interest on the

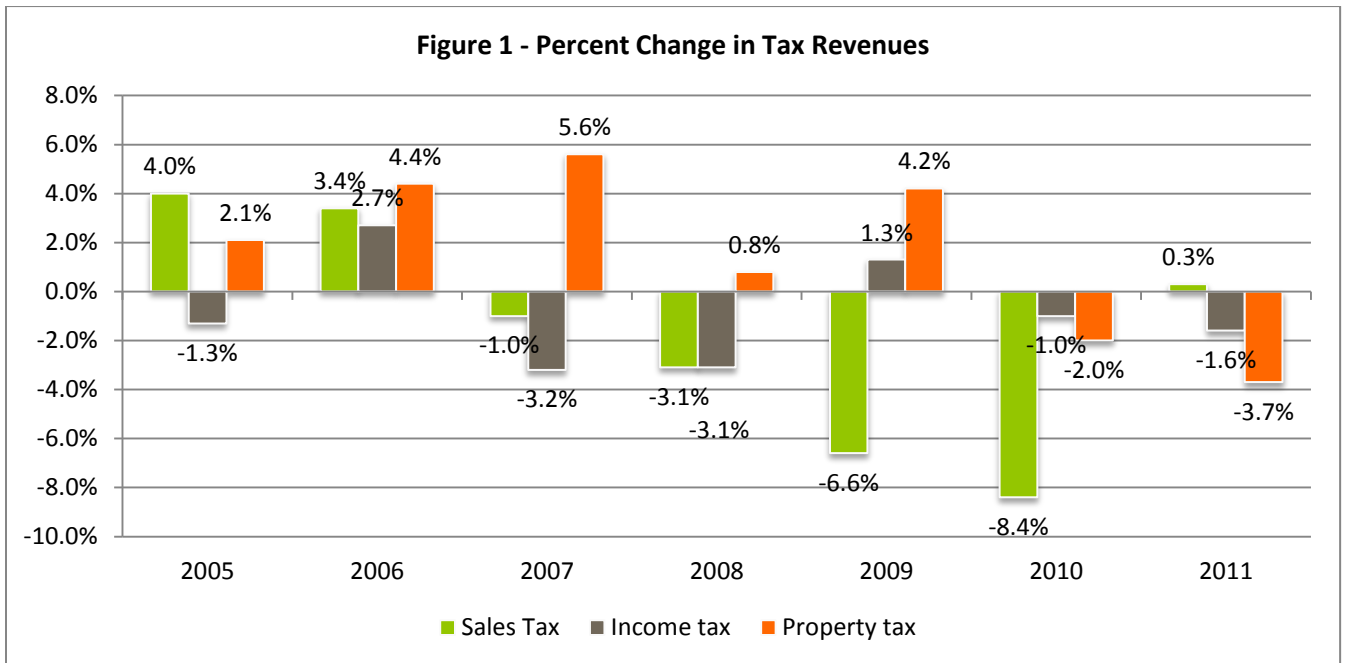
bonds have been paid semiannually, with rates ranging from 5.068% to 5.802%. The annual debt service required was \$1,915,616 in 2007, and will range from \$2.87 million to \$2.89 million through 2027. As of February 7, 2012 the outstanding balance was \$30,100,000 (Urban Residential Finance Authority, 2011).

The debt service for this bond issuance has been, and will be, paid through the city of Atlanta's general fund. This is defined by the city as the principal pool of money for a municipality, and accounts for all activities which do not have a unique fund (City of Atlanta, 2011a). In the past the general fund was the only source for the Housing Opportunity Fund, but this is proving to be an unreliable solution. The city has made it clear that they will not be able to issue another bond with the general fund servicing the debt. The underlying reasons are not exactly clear, but affordable housing losing importance, falling revenues, rising expenses, and lack of political will are all factors. Therefore, another method must be developed so the Housing Opportunity Fund can become a sustainable tool in incentivizing workforce housing in Atlanta. The following sections of this report will explore similar issues across the country, housing needs in Atlanta, and offers suggestions for reviving the Housing Opportunity Fund.

STATE OF AMERICAN CITIES

The current economic recession has created a persistent challenge for cities starting in 2007, and the situation will likely worsen over the next few years. A major reason for this increased difficulty is shrinking revenues, mainly because of a depressed real estate market that is continuing to force property values down. Since property taxes are a significant source of revenue

for municipalities, declining property values results in declining tax receipts. According to a survey of 1,055 cities completed by the National League of Cities, property taxes have fallen by 3.7 percent since 2010 (Pagano, 2011). Unfortunately, cities will continue to experience declining property taxes through 2013 as assessments follow the market. Unstable consumer confidence, rising unemployment, and declining incomes have also resulted in falling tax receipts. Figure 1 below displays percent changes in tax revenues. The data is from the survey completed by the National League of Cities mentioned above.



SOURCE:(PAGANO, 2011)

Cities are forced to make extremely difficult decisions due to declining revenues. Programs are being cut, budgets slashed, and priorities rearranged. This scenario is occurring across the country, and the most recent and drastic example has occurred in California. Recently the state has been successful in abolishing redevelopment agencies, which have been a crucial tool in creating

and preserving affordable housing units in the state, and many of these agencies were integral to the success of affordable housing trust funds (Dunham, 2012).

The abolishment of the redevelopment agencies is an attempt to close the state's budget gap, but the loss of these funds will have a drastic impact on affordable housing efforts in the state. Peggy Lee, the director of the Non-Profit Housing Association of Northern California stated that "the 20 percent of tax-increment financing generated by redevelopment agencies is the single-most important source of local government financing for the creation and preservation of affordable housing throughout the state. This decision comes at the worst time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure ("Court Rules California RDAs Can Be Eliminated," 2011)."

ATLANTA'S HOUSING NEEDS

There are many indicators that highlight the need for creating and preserving affordable housing units, including statistics on homelessness, housing affordability, and poverty. Homelessness is a glaring indicator of Atlanta's gap in housing for certain populations since it results from lack of income and the inability afford housing (National Alliance to End Homelessness, 2012). On January 25, 2011 the 2011 Metro Atlanta Tri-Jurisdictional Collaborative Continuum of Care Homeless Census took place in Fulton and DeKalb County. During that night there were 6,000 homeless people counted within the city of Atlanta, and one out of three were spending that night in an unsheltered location (Pathways, 2011). This is currently a major problem for the city, but since homelessness is a lagging indicator, there is reason to believe that the situation will only worsen in the coming years (National Alliance to End Homelessness, 2012).

Another indication that shows the importance for affordable housing efforts is looking at poverty and income within Atlanta. Real median household income declined by 20.7% from 2000 to 2010. The decline is actually more drastic if inflation is taken into account (U.S. Census Bureau, 2006 to 2010). Furthermore, 41 percent of citizens in the city of Atlanta are considered to be poor or struggling according to the U.S. Census Bureau. When tracking poverty, the U.S. Census Bureau considers any person earning less than twice the poverty level as either struggling or poor. When compared to other scales and comparable cities, the city of Atlanta fares worse than Charlotte, Raleigh, Nashville, Georgia, the South Region, and the United States (U.S. Census Bureau, 2006 to 2010).

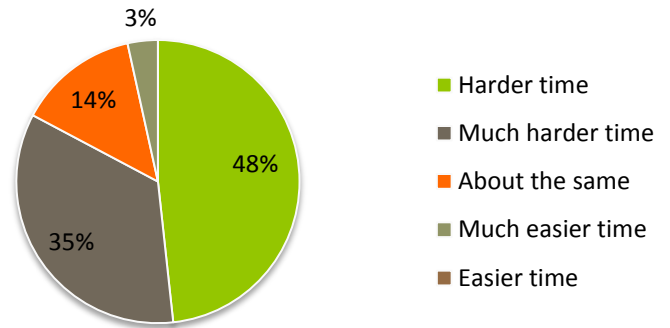
A more directly related indication of the need for affordable housing is housing affordability. According to the report “Out of Reach” by the National Low Income Housing Coalition, 47 percent of renter households in the Atlanta-Sandy Springs-Marietta HMFA cannot afford a two-bedroom unit (Elina Bravve, 2011). Furthermore, one out of four renters in the city of Atlanta pays 50 percent or more of their household income to housing. This is higher than Charlotte, Raleigh, Nashville, Dallas, Housing, Georgia, the South Region, and the United States (U.S. Census Bureau, 2006 to 2010). As indicated, incomes are falling, housing costs are rising, and homelessness will continue to be a major problem. These statistics convey the need for stronger affordable housing efforts, and the housing opportunity fund has been, and should be, a major tool for the city.

REVENUE SOURCES

As mentioned above, the Affordable Housing Trust Fund Survey was conducted at the end of 2011 via an online survey, and asked various questions about affordable housing trust funds to 70 practitioners throughout the United States. The survey was meant to find out the current difficulties that trust funds were facing, as well as learn of any resilient revenue sources. The 30 respondents worked in a wide variety of cities ranging from Montpelier, Vermont to West Hollywood,

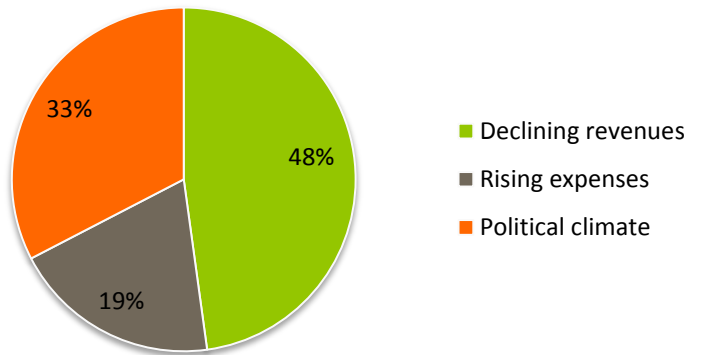
California. Clusters of responses surfaced on the east coast with the cities of Asheville, Charlotte, Knoxville, and North Charleston; as well as in California and the Midwest. There was a lack of responses in the southeast, which can be explained by the lack of trust funds in the region. A complete list of the respondents is included in the appendix.

Figure 2 - Raising Funds for Affordable Housing Comparing 2011 to 2006



SOURCE: (HELLIER, 2011)

Figure 3 - Reason for Increased Difficulty



SOURCE: (HELLIER, 2011)

CHALLENGING TIMES

The initial set of questions was aimed at understanding whether raising funds for affordable housing have become more difficult, and if so, why this is occurring. The first question asked whether local governments were having more difficulty raising funds for affordable housing now, compared to five years ago. It is unsurprising that respondents overwhelmingly indicated that it is currently more difficult. As displayed in Figure 2, forty-eight percent felt that it has been a harder time, and thirty-five percent felt that it has been a much harder time. Fourteen percent felt that it has been about the same, and three percent, one respondent, felt that it has been much easier (Hellier, 2011).

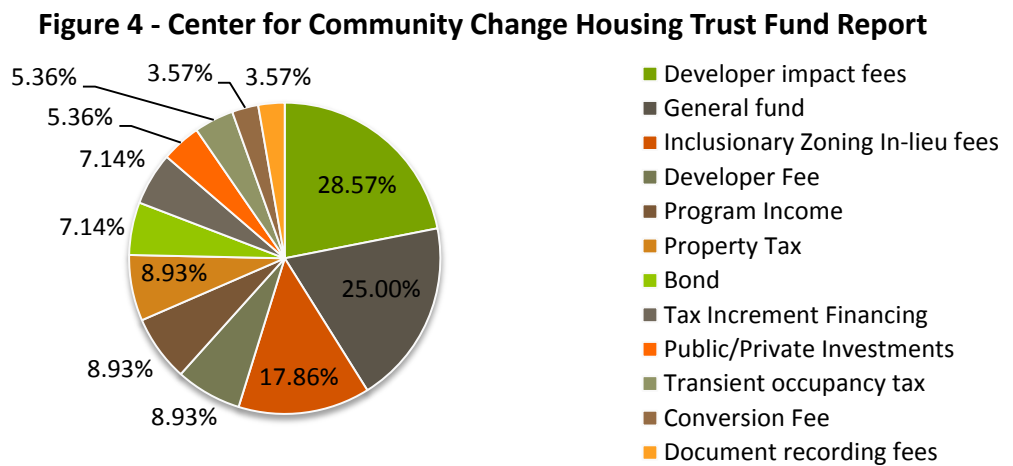
The next question asked the respondents why it has become more difficult, and give them three choices: declining revenues, rising expenses, or political climate. Forty-eight percent selected declining revenues, thirty-three percent selected the political climate, and nineteen percent selected rising expenses.

Respondents also had the ability to write in comments and opinions as well. Some respondents referenced the raid on California's redevelopment agencies, which is summarized above. A consistent theme in the comments was the declining availability of state and federal dollars and the simultaneous increase in competition for funds. Another comment explained how the depressed real estate market affects some cities ability to raise funds. It certainly has an impact on declining revenues, but some affordable housing trust funds use fees from residential and commercial development to fund affordable housing efforts. Therefore, this revenue source has all but disappeared for these areas since development is generally slow to negligent. Another impact of the depressed real estate market is the increased competition between municipalities. In an

example of a race to the bottom, areas are incentivized to be more “development-friendly” by decreasing, deferring, or abolishing fees (Hellier, 2011).

COMMON REVENUE SOURCES

The following set of questions from the Affordable Housing Trust Fund Survey asks the respondents their opinion on what sources of revenue should be targeted. Before the results are explained, a survey conducted in 2007 by the Center for Community Change of various cities’ housing trust funds will be reviewed. Part of their research was to determine each fund’s revenue sources, and the most common sources out of the 56 trust funds surveyed were developer impact fees, the general fund, and inclusionary zoning in-lieu fees. Figure 4, located below, displays the most widely used funding sources; others not shown in the figure include casino revenue, excess lease fees, residual money from other funds, and the sales tax (Brooks, 2007).



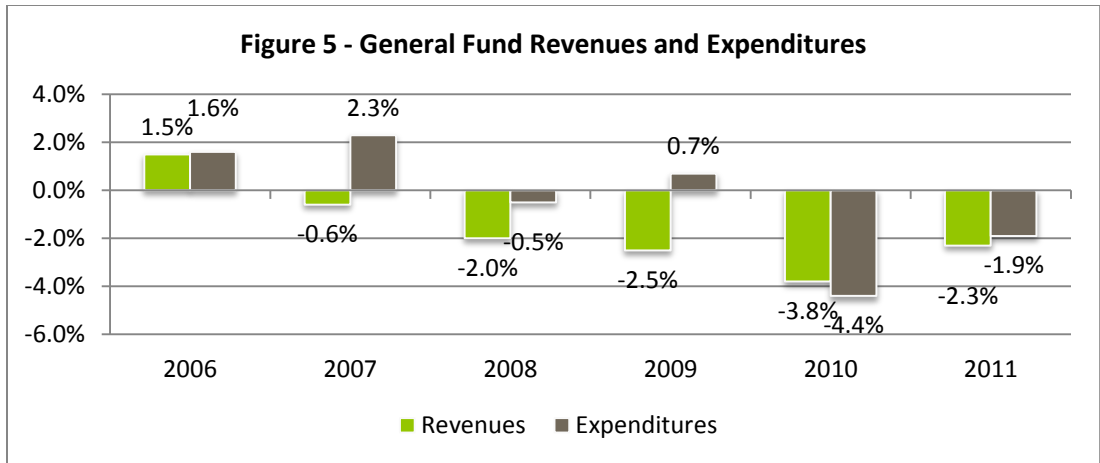
SOURCE: (BROOKS, 2007)

Developer Fee

The most common source of funding for the 30 surveyed affordable housing trust funds is a developer fee. These exactions from the private sector are used in approximately 38 percent of the funds. Typically these exactions are in the form of impact fees, more commonly known as linkage fees when referring to affordable housing, which occur when a municipality requires a developer to pay a “fee or exaction to compensate the government for the increase in facilities that will be required to service the development and the people who live there or use the developed facilities” (Werner, 2002). The fees are imposed when the development is platted or the building permitted at a per unit or per square foot basis (Frej, 2005). Linkage fees can be a great tool for communities to fund affordable housing efforts, but some municipalities abuse it by enforcing illegal exactions or pricing the fees too high. The right balance of equity is necessary for impact fees to be successful in the long run (Been, 2005).

General Fund

Another widely used source is the general fund. According to a survey conducted in 2007 by the Center for Community Change, 25 percent of the surveyed affordable housing trust funds use the general fund as a source (Brooks, 2007). Although this is widely used, and may be relatively easy to acquire, it is highly vulnerable to cuts due to political whims and budgetary issues since it is part of the appropriation process. Furthermore, this fund has been decreasing since 2007 for cities across the country. Figure 4, located below, displays the percent change in general fund revenue and general fund expenditures. The data is from a survey completed by the National League of Cities, which sampled 1,055 cities (Pagano, 2011). As displayed, revenue for the general fund has decreased since 2007, and looks to have bottomed out in 2010. However, positive growth of revenue will probably not occur in the near future.



SOURCE: (PAGANO, 2011)

Inclusionary Zoning Fees In-Lieu of Units

The third most widely used source is fees in-lieu of units in areas with inclusionary zoning. Generally, inclusionary zoning requirements mandate a certain percentage of housing units be set aside at below market rate, but a developer can sometimes choose to pay a set fee in-lieu of the units. Out of the surveyed funds approximately 18 percent used this type of source. Essentially this strategy is linking affordable housing efforts with the city’s real estate activity by requiring developers to set aside a percentage of the units as affordable, or to pay a certain in-lie fee instead. Although it is ideal if the units are built within the market rate housing to create a mixed-income community, the in-lieu fees are important for the viability of some affordable housing trust funds. As with many of the strategies, this source is not immune to economic cycles and political transitions. In weaker markets, communities are often pressured into placing a moratorium on this policy to incentivize developers to build in their area (Center for Housing Policy, 2010).

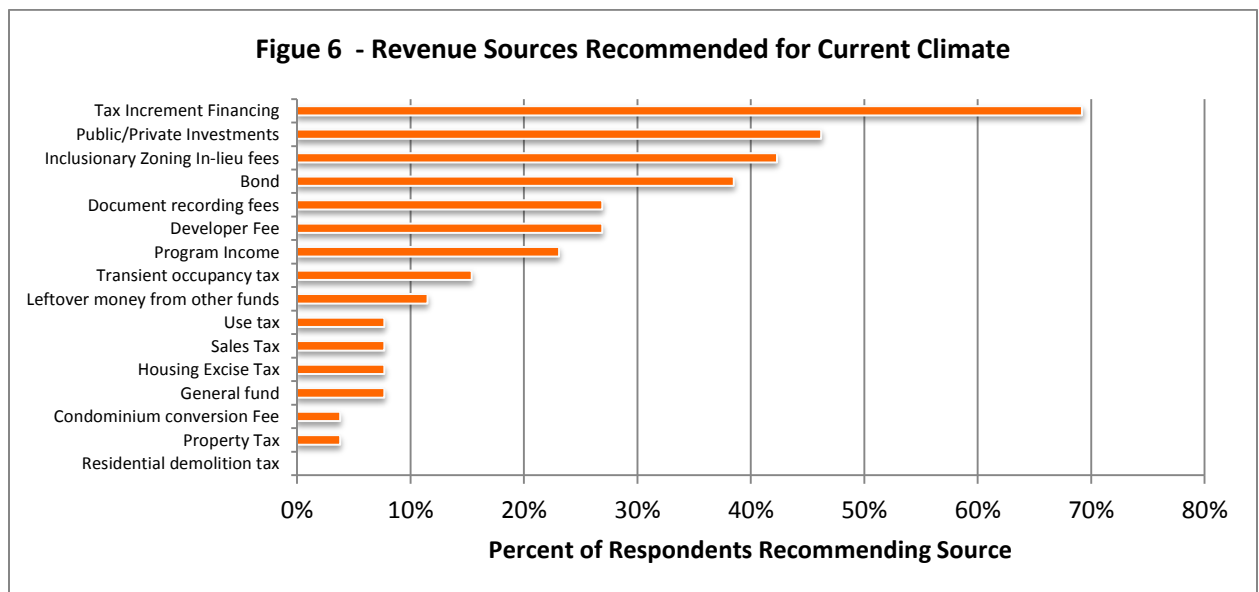
Tax Increment Financing

Another revenue source for affordable housing trust funds is proceeds from tax increment financing (TIF) districts. TIF districts constitute a place-based economic development policy, which

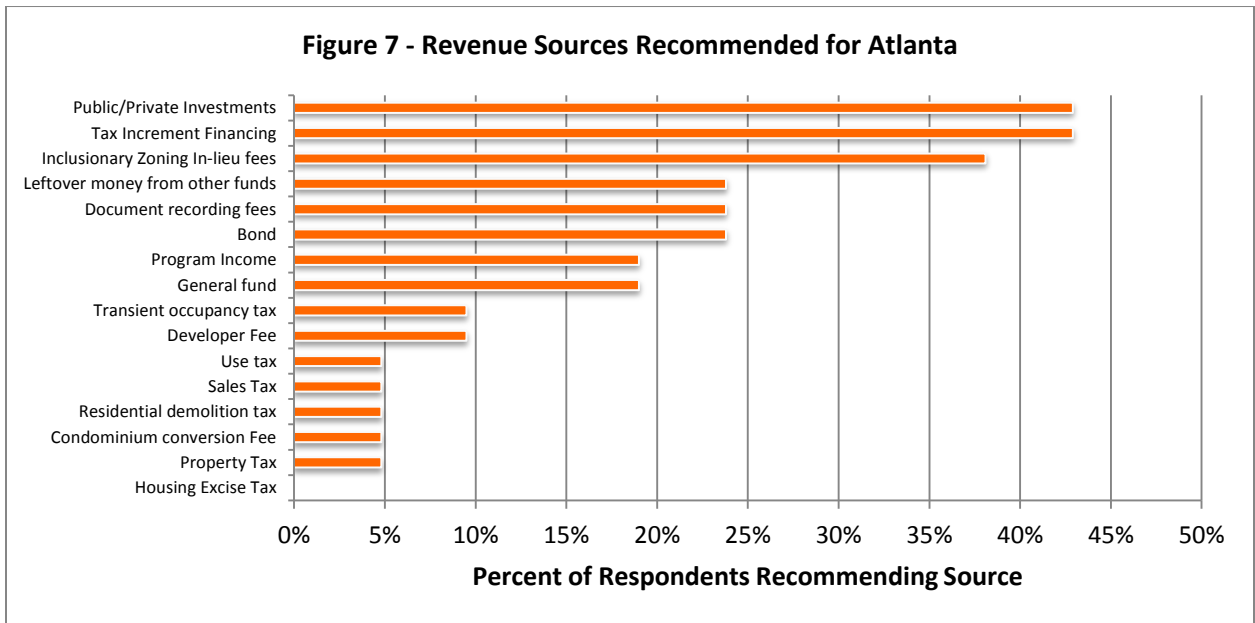
directs increases in property taxes above a base amount to a variety of services and projects. The increases in property taxes are generally stimulated by capital improvements in the district. Proceeds from TIF districts are not always diverted to affordable housing trust funds, but some municipalities have been successful with this method. The Salt Lake City Housing Trust Fund receives \$360,000 to \$1 million each year from this revenue source (Center for Housing Policy, 2011).

SURVEY RECOMMENDATIONS

The Affordable Housing Trust Fund Survey conducted in 2011 asked respondents to identify the funding sources that are the best for funding affordable housing in the current climate. Respondents had the ability to choose one or more of the following; tax increment financing, public/private investment, inclusionary zoning in-lieu fees, bond, developer fee, document recording fee, program income, transient occupancy tax, leftover money from other funds, general fund, housing excise tax, sales tax, use tax, property tax, condominium conversion fee, or a residential demolition tax. Figure 6 below displays the top results from this question.



A similar question was asked later in the survey about what sources they would recommend for Atlanta. Figure 7 displays the results.



There is not a significant difference in the responses between the two questions. The top three recommendations for both are public/private investment, tax increment financing, and inclusionary zoning in-lieu fees. After each question, respondents were asked why they responded as they did. By generalizing these comments, seven categories presented themselves. Respondents felt the sources they chose were either easier to acquire, and/or offered the least resistance; offered a reasonable nexus between affordable housing efforts and the sources of the funds extracted; presented the highest possible funds; were consistent and sustainable; or offered a chance for a collaborative approach (Hellier, 2011).

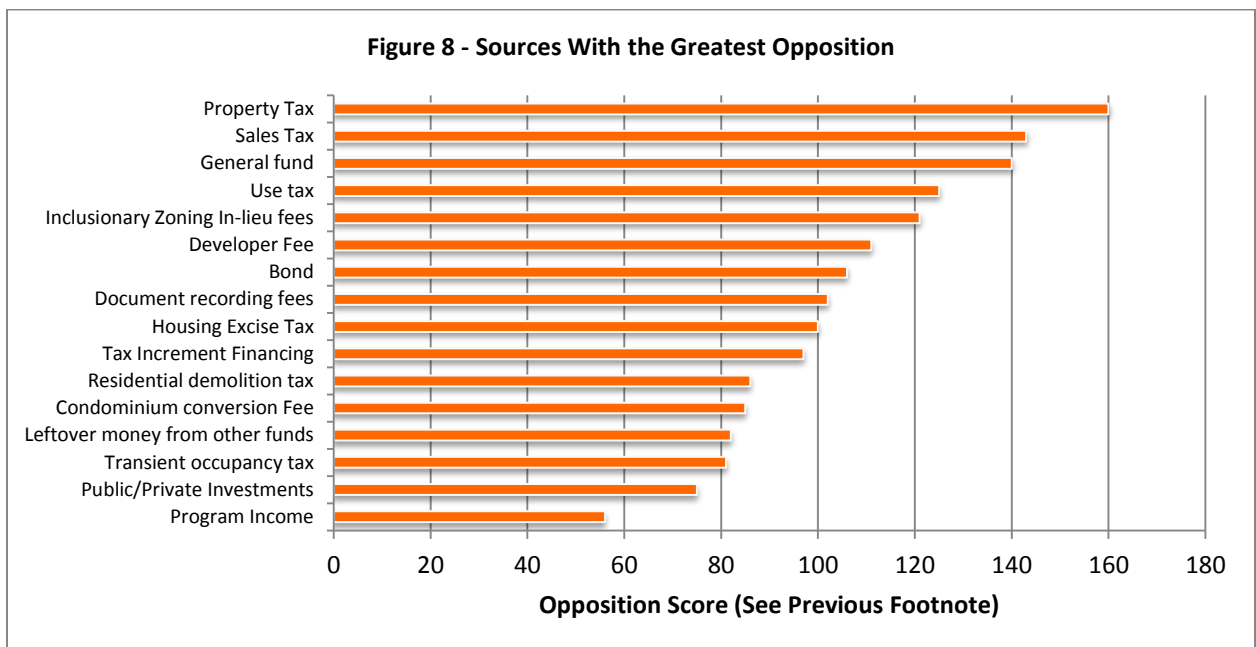
The two largest categories of rationales differ substantially. One reason for choosing the sources was the lack of resistance that would arise. The current economic climate has a significant impact on this thought process. Some sources would require a new tax or fee, and many believed that the community would oppose any attempt that contained either. Furthermore, most of the sources mentioned will require some sort of approval, so respondents suggest targeting the “lowest hanging fruit” (Hellier, 2011). The other category of rationales was a more positive and inspiring one. These respondents chose the sources that they felt offered a collaborative approach by bringing together diverse stakeholders to form a coalition. This is undoubtedly a difficult method, but this group believes that a sustainable solution can be achieved if the community begins to view quality affordable housing as a shared vision.

NUMBER OF SOURCES

Respondents to the survey identified alternative strategies to pursuing potential revenue sources. The first is to target a large and diverse group of sources to mitigate the risks of losing one or two. The current economic times are making this more and more apparent. It is also easier to secure smaller amounts of funds from a variety of sources, rather than large amounts of funds from a few. Conversely, some respondents felt that controlling the amount of sources targeted is a wise decision. First of all, it limits the amount of opponents to the trust fund, assuming the industry targeted as a revenue source opposes it. Furthermore, respondents felt that trying to coordinate a large number of sources can become confusing, complicated, and sometimes counterproductive. The majority of respondents believed that targeting three to four sources provided the right balance. However, it is apparent that each city will have a somewhat unique experience when it comes to identifying revenue sources.

OPPOSITION

Another question asked respondents about the potential opposition to utilizing various revenue sources. Respondents were asked to rate a list of revenue sources in terms of opposition; 1 meaning no opposition, and 10 meaning insurmountable opposition. The responses were combined so the sources could be ranked¹, and the results can be seen in Figure 8. It is clear that respondents feel that attempting to use a property or sales tax would be extremely difficult, especially in the current economic times. It is interesting to note that property tax and sales tax both had four respondents choose insurmountable opposition, and the general fund, use tax, and inclusionary zoning in-lieu fees each had two.



¹ Calculation : Opposition = $\Sigma [(1 \times \text{no opposition tally}) + (2 \times \dots) + \dots + (10 \times \text{insurmountable opposition tally})]$

BUILDING SUPPORT

Respondents were also asked how to garner the most support for an affordable housing trust fund. This was an open ended question, but the responses fell under two types of suggestions. The first type was to build a diverse coalition to support the efforts. It is necessary to have housing organizations and leaders start the campaign, but the business community and politicians are critical to long term success. Some suggest bringing the business community to the table during the research phase. This will encourage them to validate the results, and help them understand the problem. This research can include analyzing the housing needs of the community, but another important component is a nexus study. A nexus study shows a link between non-residential commercial development and the need for affordable housing. This analysis takes into account a number of factors, ultimately equating an increase in commercial activity to the need for more housing units. In addition to the business community, it is important to engage politicians, low-income residents, labor unions, faith-based organizations, neighborhood activists, etc.

The second general suggestion is to take control of the overall discussion, and frame the message in a positive light. Opponents will negatively focus on the costs that an affordable housing trust fund will bring, but this is not the entire story. Focus on the personal and economic benefits, and explain how the economic impact will go beyond short-term employment opportunities. Also show the human side by having people tell their personal stories (Hellier, 2011).

RECOMMENDATIONS

The City of Atlanta needs to decide which revenue sources to use for the Housing Opportunity Fund. As discussed earlier, City officials have stated that Atlanta will not use the

general fund to service the debt for another general obligation bond (GO Bond) issuance. With this knowledge, there are two realistic alternatives.

The first is to continue to utilize general obligation bonds to fund the Housing Opportunity Fund. This would allow the trust fund to be adequately funded in the early stages, but require debt servicing over the life of the bonds. Since the debt service will be a consistent figure, it is necessary that the revenue sources used to pay it be consistent as well. This requirement limits what revenue sources can be used. A suitable amount of consistency is provided if a property tax, sales tax, or the general fund is used, but the other sources have the potential for such high annual variation that it may be difficult to support a general obligation bond issuance.

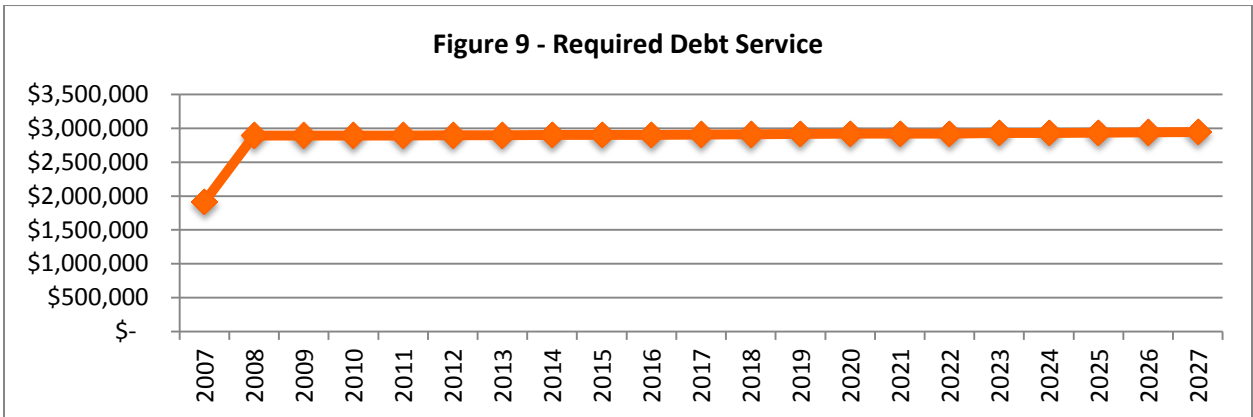
The other option available is to raise funds without using a general obligation bond issuance. There are many reasons for doing this including the uncertain nature of the current bond market, the lack of debt service options, and the necessity to advocate for another bond issuance every few years. Choosing a different method to fund the trust fund provides greater stability and flexibility that increases the chance of sustainability, which is what the city needs. Inconsistent support for affordable housing efforts is detrimental for the citizens who lack adequate access to quality affordable units. A sustainable solution will be consistent over the years, and not have to fight for survival year after year. However, if this path is taken the annual funds available will be much lower. The revenue sources available using this method will still be limited due to a number of factors, but more flexible relative to option 1.

OPTION 1: IDENTIFY SOURCES TO SERVICE THE GO BOND DEBT SERVICE

Potential sources will be analyzed based on whether it can support a general obligation bond and whether it is politically viable in Atlanta. The year-to-year stability of the fund and the

potential amount that can be raised from each source is important as well, but these factors are inherent in determining whether the source can support a bond issuance.

To support a general obligation bond issuance, revenue sources must be able to service the debt annually for 20 years or longer. Figure 9 displays the required debt service for the 2007 bond issuance.



SOURCE: (URBAN RESIDENTIAL FINANCE AUTHORITY OF COA, 2012)

A subsequent bond issuance will likely be for less than the one issued in 2007, but it will still require significant and stable proceeds. Out of the revenue sources mentioned above, only seven are able to support a general obligation bond issuance. The general fund, a property tax, and sales tax produce a sufficiently consistent revenue stream to support a bond issuance. The following have the possibility to support a bond issuance, but are likely to have more annual variation than desired. They are tax increment financing districts, a document recording fee, a linkage fee, and inclusionary zoning in-lieu fees.

Out of the general fund, a property tax, a sales tax, tax increment financing districts, document recording fees, linkage fees, and inclusionary zoning in-lieu fees, four would not be politically viable in Atlanta. The first is the general fund. City officials have made it clear that they

will not use this method to service the debt in the future. The second is inclusionary zoning in-lieu fees, which has a short history in Atlanta. Housing advocates recommended this method before, but talks ended due to opposition and the most recent economic recession. The other two sources are the property tax and sales tax. As discussed above, these were the sources with the most opposition according to the Affordable Housing Trust Fund Survey (Hellier, 2011). Both of these sources would need to be approved in some way, which would be quite difficult in this current economic climate.

After eliminating four revenue sources for this option, three are left that could possibly support a general obligation bond issuance and be viable in Atlanta. They are document recording fees, linkage fees, and tax increment financing districts. These three sources will be analyzed further after the discussion of option 2. Table 1 below summarizes the revenue sources for option 1.

Table 1 – Potential Revenue Sources (GO Bond)		
	GO Bond Supportable?	Political Viability in Atlanta
General Fund	Yes	Prohibitive: The city of Atlanta has made it clear that they will not use the general fund for debt servicing.
Property Tax	Yes	Highly Unlikely: The survey respondents rated a property tax as the revenue source with the most opposition.
Sales Tax	Yes	Highly Unlikely: The survey respondents rated a sales tax as the revenue source with the second most opposition.
TIF/TAD	Yes	Probable: Atlanta has a successful history using Tax Allocation Districts.
Document Recording Fee	Possibly	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.
Developer/Linkage Fee	Possibly	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.
Inclusionary Zoning In-lieu Fees	Unlikely	Prohibitive: The city of Atlanta has explored this method before, but talks ended due to immense opposition and the most recent economic recession.

OPTION 2: IDENTIFY REVENUE SOURCES WITHOUT USING A GO BOND

The second option entails modifying the Housing Opportunity Fund into a trust fund that operates more like other cities. Revenue sources would annually fund housing efforts, instead of servicing the debt on bonds. There is a greater number of potential revenue sources with this option, but the general fund, inclusionary zoning in-lieu fees, a property tax, and a sales tax will be eliminated for the reasons stated in the analysis of option 1. The remaining revenue sources will be reviewed based on political viability in Atlanta, year to year stability, and funding potential. Table 2 displays this analysis.

Table 2 – Potential Revenue Sources (Without GO Bond)			
	Political Viability in Atlanta	Year to Year Stability	Funding Potential
TIF/TAD	Probable: Atlanta has a successful history using Tax Allocation Districts.	Low: Revenue from Atlanta’s current TAD’s have seen large annual variations	High: The potential amount in a good year is high.
Document Recording Fee	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	Low: Revenue Projections using typical recording fees are relatively low.
Developer Fee	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	High: The projected revenue from this source has the potential to be substantial.
Public/Private Investment	Possible: There would be nothing to prohibit this revenue source, but it is difficult to rely on.	Low: Annual variation will likely be high due to the uncertain nature of philanthropic funds.	Low: Potential funding from this source will likely be relatively low.
Leftover Money From Other Funds	Unlikely: It is unlikely that affordable housing efforts would have priority for these funds in Atlanta.	Low: High variation and uncertainty.	Low: If these funds are secured, they will likely be relatively minor.
Program Income	Very Likely: Income generated from the trust fund is desired by the city	Low: Program income will fluctuate due to the nature of the financial mechanisms	Low: Program income will be low, if existent at all
Condominium Conversion Fee	Very Unlikely: In 2009 there was one condominium conversion permit in the city of Atlanta. In 2008 there were three, and in 2007 there were three. It is unlikely	Low: Condominium conversions in the past decade were extremely volatile year to year. In absolute terms, year to year change	Low: Fees exacted from condominium conversions would be negligible for the

	activity will pick up in the near future.	averaged 90 percent.	foreseeable future.
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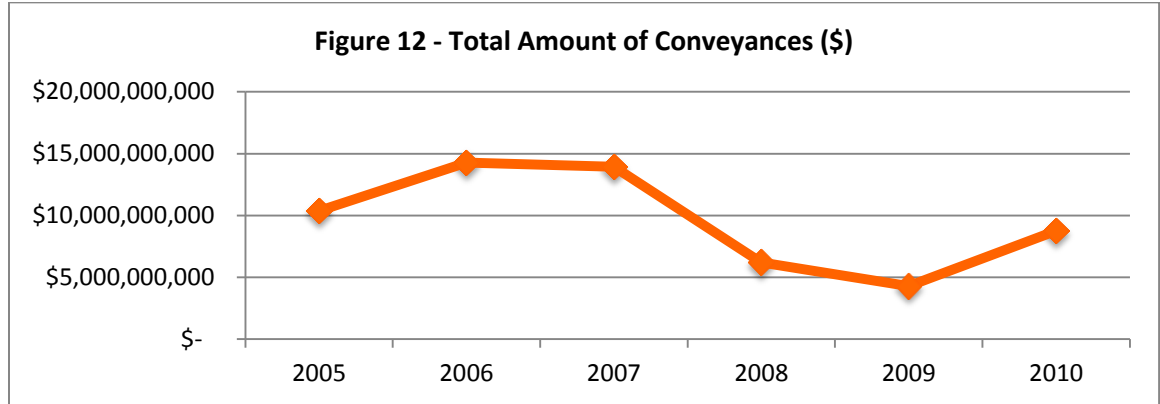
The three methods that will be analyzed are tax increment financing districts, document recording fees, and linkage fees. However, this does not mean advocates should not target the other sources listed as well. Except for condominium conversion fees, the other sources would be useful as additional funding. They would most likely be relatively small proceeds, but small dedications from a variety of sources can help the trust fund to be successful and sustainable.

Document Recording Fee

A document recording fee is a fee charged on real estate documents recorded. It can be based on property value, a flat fee, or based on pages recorded (Center for Housing Policy, 2011). Many jurisdictions use recording fees, and the exaction percentage varies, but this analysis utilizes a range of assessments from .025% to .1% of the conveyance. This exaction would create some burden the real estate industry. As discussed this source has the potential to support a general obligation bond issuance.

Projecting revenue for this source is more straightforward than linkage fees and tax increment financing. It is generally a percentage of the consideration, or sale price, for each transaction. Some jurisdictions limit what types of transactions are subject to this transaction by location, amount of consideration, and use (Center for Housing Policy, 2011). Figure 12 displays the total amount of considerations for transactions in the city of Atlanta from 2005 to 2010. The volatile nature of this source can be seen, especially when looking at data from 2005 to 2010 (Fulton County Tax Assessors, 2012). Table 3 below is an attempt to project revenue based on historical sale figures and a range of assessments from .025% to .1%. It is important to understand that these numbers are based off the top and bottom of the past real estate cycle.

From 2005 to 2010, a document recording fee could have raised a range of \$1.07 million to \$14.28 million annually and an average of \$6.02 million annually.



SOURCE: (FULTON COUNTY TAX ASSESSORS, 2012)

Table 3 - Recording Fee Sensitivity Analysis

	Total Sales	0.025%	0.05%	0.075%	0.10%
2005	\$10,370,235,650	\$2,592,559	\$5,185,118	\$7,777,677	\$10,370,236
2006	\$14,288,131,823	\$3,572,033	\$7,144,066	\$10,716,099	\$14,288,132
2007	\$13,953,647,674	\$3,488,412	\$6,976,824	\$10,465,236	\$13,953,648
2008	\$6,199,917,782	\$1,549,979	\$3,099,959	\$4,649,938	\$6,199,918
2009	\$4,289,894,755	\$1,072,474	\$2,144,947	\$3,217,421	\$4,289,895
2010	\$8,762,661,647	\$2,190,665	\$4,381,331	\$6,571,996	\$8,762,662

Linkage Fee

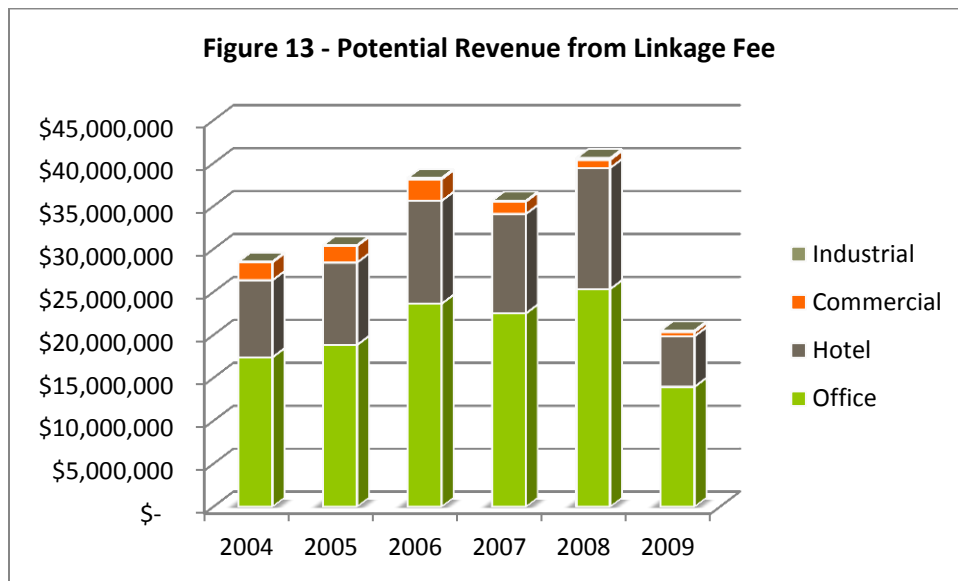
A linkage fee is a requirement by a municipality that a developer pay a fee to compensate the government for the increase in services needed for the proposed development (Center for Housing Policy, 2011). Linkage fees can be a great tool for communities to fund affordable housing efforts, and a majority of other trust funds use this as a major source of funding. The City of Atlanta currently has a variety of permit fees that differ from use to use. A building permit is required “to construct, erect, demolish, install, alter or repair...any building, structure, equipment, appliances or system...”. This exaction places a burden on the real estate industry, developers in particular. This source does have the possibility to support a general obligation bond. Table 4 displays linkage fees from other cities.

Boston, MA	\$5.00 per square foot
San Francisco, CA	\$7.05 per square foot
Sacramento, CA	Range from \$.27 to \$.99 per square foot depending on use
Berkeley, CA	\$2.00 to \$4.00 per square foot depending on use
San Diego, CA	\$.26 to \$1.06 per square foot depending on use
Cambridge, MA	\$3.00 per square foot

Figure 13 displays the potential revenue projections from 2004 to 2009 if a linkage fee were used. The fees assigned to each property use are based on San Diego and Sacramento. It is important to note that this is a very rough estimate, and that these numbers are based off the top and bottom of the past real estate cycle. The following assumptions explain how these figures were reached. Permitting data with construction cost of the work done was obtained, but the square

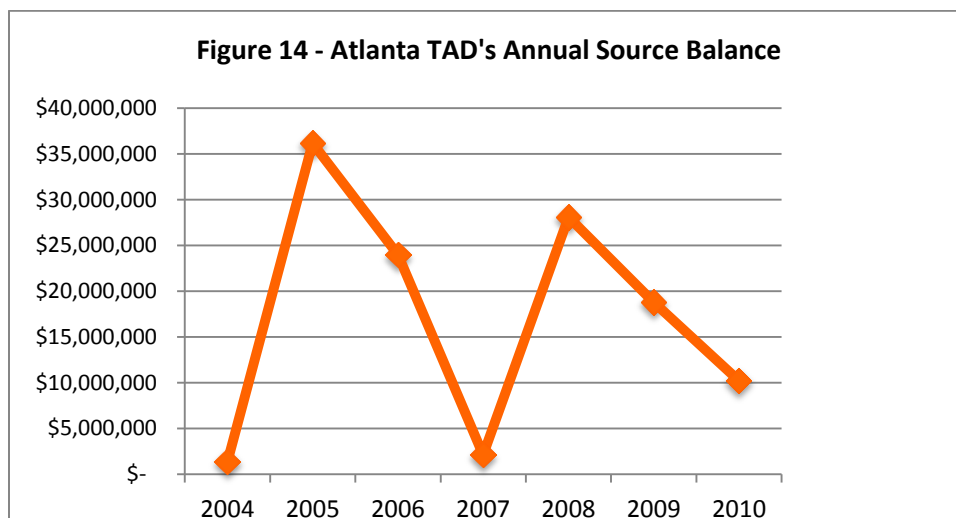
footage of the work done is not available. Thus, to estimate the square footage the following construction costs were assumed. Office—\$150/sf ; Hotel—\$150/sf ; Commercial—\$90/sf ; Industrial—\$50/sf (Marshall & Swift, 2011). There are obvious problems with these assumptions, including quality of building and costs changing over time, but to estimate revenue projections, the size of the permits must be estimated. Commercial uses include mercantile buildings, restaurants, businesses, and gas stations. Industrial uses include warehouses, office/warehouses, and industrial (City of Atlanta GIS Division, 2009). The permitting department does not categorize manufacturing buildings by itself, which will have a higher construction cost. The fee schedule assumed is as follows: Office—\$1.06/sf ; Hotel—\$.60/sf ; Commercial—\$.79/sf ; Industrial—\$.26/sf.

From 2004 to 2019, a linkage fee could have raised a range of \$20.5 million to \$40.6 million annually, and an average of \$32.33 million annually.



Tax Increment Financing

When a Tax Allocation District is established, the amount of property tax revenue is recorded based on the assessment prior to any development. A municipality then makes capital improvements, or subsidizes a developer to do so. The base amount continues to be used to fund city services, but any increase due to rising property values would be captured for the Housing Opportunity Fund (Center for Housing Policy, 2011). There are currently ten tax increment financing districts in Atlanta, or tax allocation districts as they are called locally. Due to the nature of these districts, it is difficult to project the potential revenue for this source. Figure 14 however displays the total source balance for Atlanta TAD's from 2004 to 2010. This is the total remaining funds from all TAD's at the end of each year. It is likely that any revenue from this source would be exacted out of the annual source balance. There will likely be some restrictions on the funds raised from this source. Any revenue obtained would most likely be required to be allocated back into the same tax allocation district, and would limit affordable units to those areas.



Source: (City of Atlanta, 2011b)

RECOMMENDATIONS

Due to the general obligation bond method's inflexibility and instability, it is recommended to target revenue sources that can feed into the Housing Opportunity Fund on an annual basis. This will allow longevity for the fund, which it currently does not have. As of now, the City must agree to issue and pay the debt service on general obligation bonds each time the fund runs out, and it's apparent now that this is not sustainable. It also will allow all funds to be used for affordable housing efforts, instead of servicing debt on a bond. The previous allocation of \$35,000,000 in funds cost the city over \$60,000,000. That means 42%, or approximately \$25,000,000 will have gone to servicing the debt by 2027.

Through the research and surveys completed, the city should begin targeting linkage fees, document recording fees, and funds from tax increment financing/tax allocation districts. These sources have relatively high viability in Atlanta, sustainability, and potential magnitude. As discussed earlier it is recommended to target three to four sources. This will provide a diverse base that will increase the probability for a sustainable trust fund. Other sources to target include program income, leftover funds from other programs, and philanthropic funds.

In addition to the above recommendations, housing advocates should identify potential revenue sources that may not be apparent currently. The discussions for the new Atlanta Falcons football stadium may present an opportunity. The surrounding community should have a seat at the table in the negotiations for this proposal, and it may be useful to leverage this. If they are not doing so already, they might develop a community benefits agreement (CBA). This agreement could include provisions for the developers of the stadium to invest in the Housing Opportunity Fund.

ALLOCATION OF FUTURE FUNDS

The second part of this research focuses on determining how future funds should be allocated. The breakdown from the initial allocation may have been appropriate then, but the changing economic landscape has altered priorities in the community. A survey was conducted in February 2012, referred to as the Housing Opportunity Fund Allocation Survey, involving local housing practitioners, policy makers, and professors. The results will be discussed later. Analyzing the past and understanding changing priorities will inform how future funds should be distributed.

ALLOCATION OF PREVIOUS FUNDS

The Housing Opportunity Fund commenced during Mayor Shirley Franklin's administration with the goal of adding 10,000 units of affordable workforce housing by 2009 (Atlanta Development Authority, 2011). Workforce housing is defined by the Urban Land Institute defines as "housing that is affordable to households earning 60 to 120 percent of the area median income." More simply put, it is the void between subsidized affordable housing and market rate housing (Urban Land Institute, 2011). One of the primary steps toward that was the establishment of the Housing Opportunity Fund, which raised money through a general obligation bond issuance. This fund brought together four major stakeholders in 2007 to make a positive impact on the affordable housing stock in Atlanta through multi-family loans, single-family loans, land assemblage, Community Housing Development Organization (CHDO) loans, and HOPE VI investment. The partnership operated with the City of Atlanta deciding how the funds would be

distributed and the Urban Residential Finance Authority issuing the general obligation bonds (Atlanta Development Authority, 2011).

AFFORDABLE HOUSING POST RECESSION

Since 2007 the affordable housing landscape has changed and priorities have shifted. The increase in foreclosures and unemployment has had a depressing impact on low-income households, exacerbating the already bleak affordable housing landscape in most areas. Before the recession the homeownership industry was growing at an unsustainable rate. Home prices were skyrocketing and lending requirements were extremely relaxed. This led to approximately 2.5 million foreclosures when the economy declined in 2007. The increase in foreclosures not only presented a new issue for advocates, it also made apparent the lack of affordable rental units (Smith, 2011). In 2009, 7.1 million households had worst case needs, which HUD defines as “very low-income renters who do not receive government housing assistance and who either paid more than one-half of their income for rent or lived in severely inadequate conditions, or both (Steffen, 2011). These households with worst case needs are impacted more by economic downturns without the proper assistance.

It would seem that declining home prices would reduce the housing cost burden for all income levels, but this has not been the case over the past few years. As of 2009, over 33 percent of households were paying over 30 percent of their income for housing, and 17 percent were spending over 50 percent. These numbers are already significant, and it is probable for the situation to worsen over the next few years (Joint Center For Housing Studies, 2011). These issues “reflect the long-term rise in housing costs and the ongoing weakness in income growth in the bottom half

of the distribution (Joint Center For Housing Studies, 2011).” This trend started in 2000, and the recent economic recession has only made matters worse.

As indicated, the recent recession has brought about devastating foreclosures which are magnifying the need for affordable rental units, as well as the need for stabilization and foreclosure prevention assistance. This foreclosure crisis has, and will continue to have, a negative effect on communities, especially low-income neighborhoods that lack enough demand to absorb the increase in vacant homes. This increase results in a decline of property values for the surrounding neighborhood due to negative physical externalities from the vacant properties, as well as the discounted sales prices that real estate owned (REO) properties sell for. The lower sale prices effects the neighborhood because of the most common form of value determination in appraisal methodology. This method, known as the sales comparison approach, concludes to a value based off of comparable sales. Thus, artificially low sale prices from REO sales will bring typical sales prices down. Another negative impact is the physical results from increases in vacant properties, which tend to be blighted and havens for crime (Immergluck, 2011)

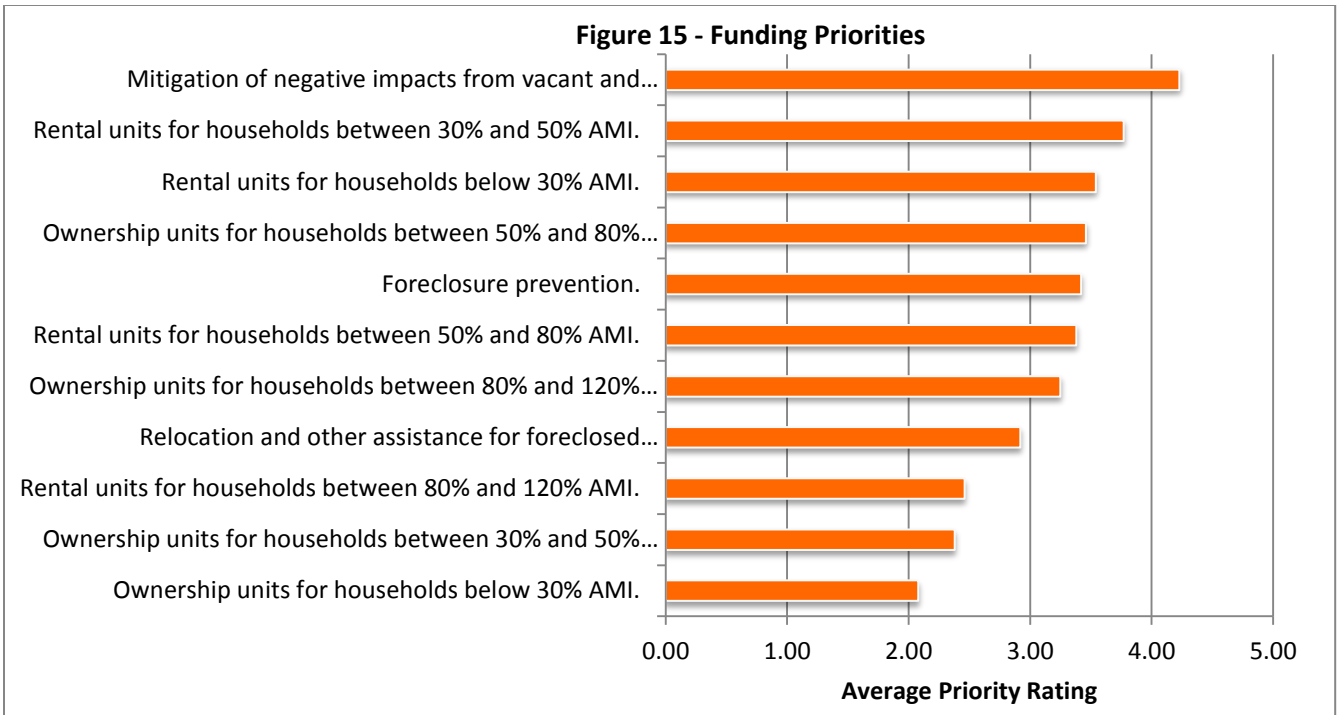
SURVEY RESULTS

Having summarized affordable housing needs on a national scale, it is necessary to focus on the city of Atlanta. The Housing Opportunity Fund Allocation Survey conducted in February 2012 was intended to document the opinions of local housing advocates. The online survey was sent to 36 practitioners, with 15 of them responding. The respondents were affordable housing advocates at the non-profit, private, government, or academic level. The list of respondents can be found in the appendix. The first question asked respondents if the previous allocation of funds was successful. Some participants were not completely familiar with the Housing Opportunity Fund,

but most had either used funds from the program, administered the trust fund, or were integral in the development of it. Of the respondents, seven felt that it had been successful, and five felt that it had not. Respondents who felt it was successful referenced the programs timely downpayment assistance during a depressed housing market as an important tool for the community. The Housing Opportunity Fund was also critical in the redevelopment of the former public housing known as Harris Homes (Hellier, 2012).

Those that felt the allocation has not been successful cited various reasons. Dawn Luke of Invest Atlanta, formerly the Atlanta Development Authority, stated that “as the administrator of the program, we have revised the allocation several times to address market conditions. The program components should be established and be firm but dollars should be fluid (Hellier, 2012).” Another shortcoming of the program was the funds set aside for gap financing for developers. This was largely ineffectual since developers had difficulty securing primary funds. Another belief, which contrasts with the statements from those who said the allocation was successful, was the inability of the Housing Opportunity Fund to adapt during the economic recession. Andy Shneggenburger of the Atlanta Housing Association of Neighborhood-based Developers (AHAND) stated that some lending requirements “were unable to remain useful through the housing market crash (Hellier, 2012).”

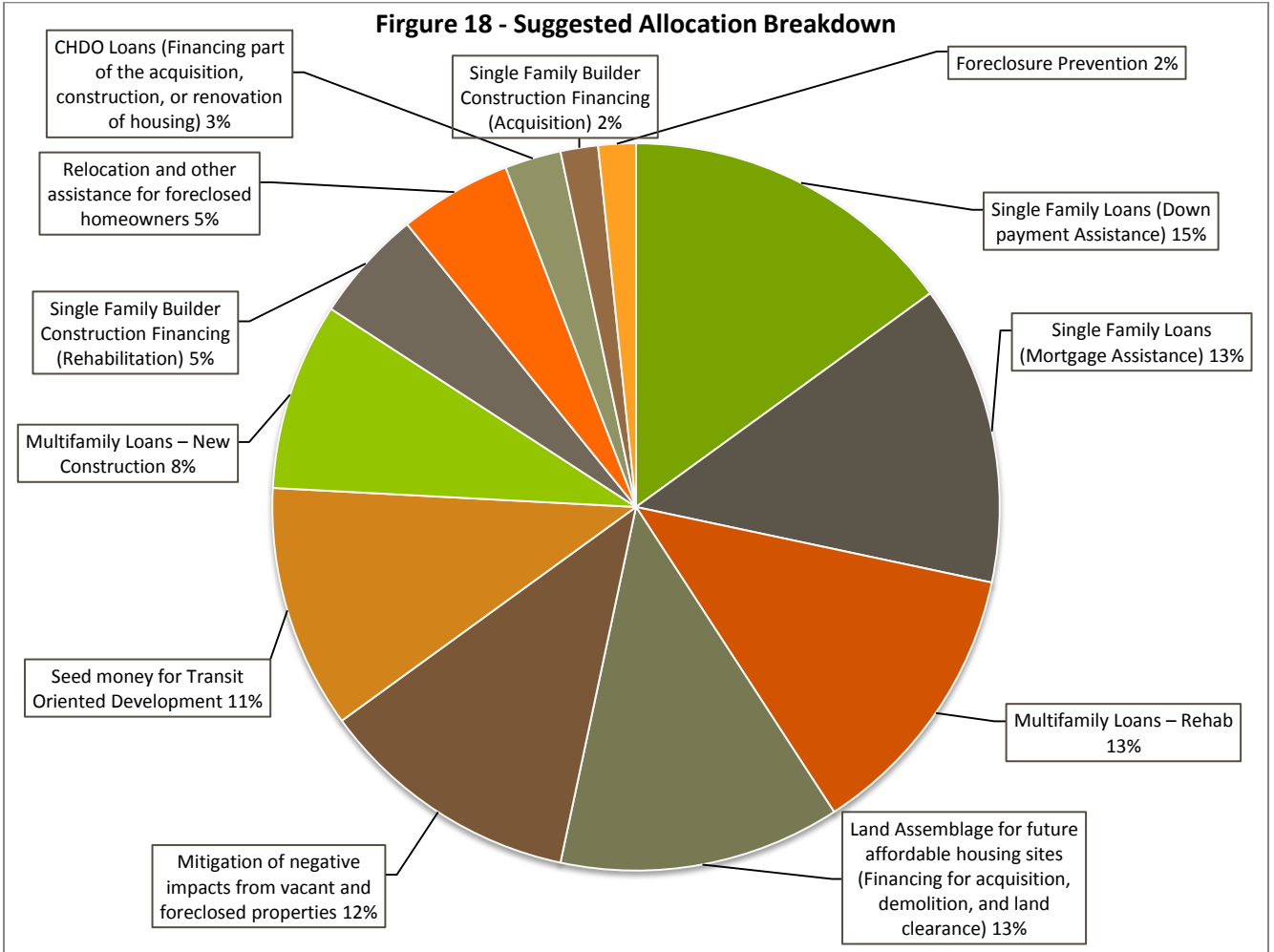
The next set of questions focus on establishing priorities for a subsequent allocation. Respondents were asked to prioritize eleven different programs. Figure 15 below displays the average priority rating. This reflects the group’s overall view on the category. For example, since seven people chose no consideration or funding should be allocated for ownership units for households below 30% AMI, the average rating is drawn down.



The top priority for a future allocation should be the mitigation of negative impacts from vacant and foreclosed properties. This is not a surprising answer, as the problems arising from vacant or foreclosed properties are well documented. In the supplemental comments, some respondents felt that foreclosure prevention is the highest priority, but other programs need to be evaluated to see if they are fulfilling a similar need. For example, the Hardest Hit Fund may already provide funding for foreclosure prevention efforts. In addition, respondents were able to specify other programs that should be considered. These include the preservation of units, services for homeless individuals and families, and resources for the rehabilitation of existing homes (Hellier, 2012).

The next question asks what percentage of funds should be allocated to each program. Respondents were asked to input a percentage for each choice, with the total adding up to 100. To aggregate the answers, the response total for each potential program has been divided by 6, as there

were six respondents who fully completed this question. This provides a percentage for the aggregated results, which Figure 16 displays.



There are obvious takeaways from the results of this question. First, respondents feel that single-family construction should not be a priority. This is not surprising due to the current over supply of single-family homes in the metropolitan area. However, respondents do recommend providing single-family loans for down payment assistance and mortgage assistance. Other programs recommended for a large allocation were multi-family loans for new construction and rehab, land assemblage, foreclosure/vacant property mitigation, and seed money for transit oriented development. There are also more detailed recommendations. One is to bundle similar

programs together, for example combining single-family acquisition and rehabilitation into a revolving loan product. Another is to focus on the rehabilitation of distressed or expiring multi-family properties that are not obsolete. More general recommendations are to not confine the allocation categories so strictly. Richelle Patton of Tapestry Development Group believes the funds should be allowed to “meet market demand and have the best ability to secure other funds to leverage the HOF funds (Patton, R. 2012. Hellier. 2/17/2012).”

CONCLUSION

It is apparent that the city of Atlanta needs to increase and maintain affordable housing units, and a sustainable Housing Opportunity Fund can be a critical tool in this effort. For this to occur, the trust fund needs to be modified to reflect current realities. The City of Atlanta is not able to use the general fund as it has in the past, and even if advocates were successful in securing that as a source, this debate would likely surface again in five years. To avoid this instability and frequent disruption, the Housing Trust Fund should secure dedicated revenue sources that will be sustainable for the long term, and have the proceeds go towards unit production and preservation rather than interest payment. Furthermore, something needs to be done if Atlanta wants to compete with similar regions across the country and globe. Atlanta is currently one of the few major cities without a functioning housing trust fund.

When this does occur, Atlanta must reevaluate what the community needs. According to the Housing Opportunity Fund Allocation Survey, foreclosure mitigation, mortgage assistance, and multifamily production should be top priority. Furthermore, the fund must have the ability to adapt with the changing needs of the community. The next step is for affordable housing advocates to

retain the services of an experienced consultant, which will guide the advocates and City through the entire process. Starting at identifying what revenue sources to target, set a range of exactions for the sources, and link that with the needs of the community.

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APPENDIX

7/5/2011

INITIAL PROPOSAL

Questions I would like to answer:

1. Housing advocates in the City of Atlanta would like for the second “Housing Opportunity Bond” issuance to occur. This would result in approximately \$40 million coming available to aid the community in a variety of categories, but this bond issuance would require a debt service of approximately \$1.5 million to be paid. The initial bond issuance of \$35 million had the city paying the debt service, but due to a number of reasons, this second issuance will not have this luxury. The mayors policy advisor has stated the second issuance would most likely occur if the debt service could be shared in some way.
 - a. **Question:** *What are the cities options to cover the debt service for the second general obligation bond issuance?*
 - b. **How will this be answered?:**

- i. Analyze other cities/municipalities to compile a list of alternatives to solve this problem. Eventually shorten this list to only a handful of viable alternatives for the city.
 - ii. To find these alternatives I will reach out to experts across the country and use these conversations to determine my alternatives.
- c. **Initial Ideas from research(brief) and conversations:**
- i. Create a secondary market and securitize the loans made within HOF
 - ii. Revenue Bond/Certificate of Participation (Backed by the creditworthiness of the City of Atlanta)
 - iii. Tax the loans and investments made with the HOF funds.... See chart below

Taxes based off four different numbers

Debt Service \$847,500

**all numbers based off 1st GO bond issuance*

	Scenario 1(HOF)	Scenario 2 (Private Only)	Scenario 3 (Total Funds)	Scenario 4 (Units)
Multifamily Loans	\$ 66,642.79	\$ 71,930.12	\$ 71,194.44	\$ 185,267.44
Single Family	\$ 442,206.50	\$ 493,876.78	\$ 486,687.39	\$ 415,866.28
Ashley at Cabbagetown	\$ 279,196.36	\$ 157,640.64	\$ 174,553.87	\$ 246,366.28
Land Assemblage	\$ 59,454.35	\$ 124,052.46	\$ 115,064.30	n/a
Per Unit/Transaction				
Multifamily Loans	\$ 236.32	\$ 255.07	\$ 252.46	\$ 656.98
Single Family	\$ 698.59	\$ 780.22	\$ 768.86	\$ 656.98
Ashley at Cabbagetown	\$ 744.52	\$ 420.38	\$ 465.48	\$ 656.98
Land Assemblage	n/a	n/a	n/a	n/a

2. The first HOF GO bond issuance was successful, but efficiency and effectiveness need to be reviewed. When the next bond issuance occurs, should one category have a higher weight than the other? Should some neighborhoods receive more attention than others?

a. **Question:**

- i. *How much funding should each category receive?*
- ii. *How much funding should each neighborhood receive?*

1. After reconsidering this question, I believe that this is out of the scope of my topic. I want to focus more on the program itself, and not on determining what neighborhood is in most need of funds. Would you agree with this?
- b. **How will this be answered?:** *Complete an in depth review of the funds dispensed, and determine whether the second issuance can put the funds to better use. This will be determined by establishing criteria to evaluate if any changes should be made from the first issuance. The criteria will be established by speaking to “experts” in the field, both within Atlanta and the United States, and through my research. For example I would like to answer whether efficiency, area need, less cost, etc. has highest priority.*

	HOF	Private	Total	%	Units Complete	%	Efficiency(HOF/Unit)
Multifamily Loans	1,780,000	11,886,644	13,666,644	0.08	282.00	0.22	6,312
Single Family	11,811,144	81,614,455	93,425,599	0.57	633.00	0.49	18,659
Ashley at Cabbagetown	7,457,214	26,050,536	33,507,750	0.21	375.00	0.29	19,886
Land Assemblage	1,588,000	20,500,000	22,088,000	0.14	n/a	n/a	n/a
	22,636,358	140,051,635	162,687,993	1.00	1,290.00	1.00	44,857

Initial Correspondents

This is a list of people that I have been briefly introduced to that expressed interest in assisting me.

Andy Schneggenburger - AHAND

Meaghan Shannon-Vlkovic - Enterprise

James Shelby – City of Atlanta

David Bennett – City of Atlanta

Peter Hayley - University Community Development Corp.

Natallie Keiser - RRC

Kate Little – G Stand

Questions from email (From June 12th Conversation):

1. Develop the proposal more
2. What does "deciding if changes should be made" mean?
 - a. *see question 2*
3. The part about equal funding is also unclear
 - a. *see question 2*
4. How will your paper address the equality of funding vs. some other distribution?
 - a. *Not clear what you are asking.*
5. What sort of research or analysis would you do to inform this debate?
6. *See question 1 & 2* What will you actually be doing in your project regarding this issue?
 - a. *See question 1 & 2*
7. If there are no good practices out there for pooling GO monies with other funds, what will you be doing research on? What are your research questions?
 - a. *I believe that Shelly stated that GO monies do not fund affordable housing anywhere else. I am not 100% clear myself, but will ask tomorrow. My thoughts were to research/develop a method of funding the debt service for the second GO bond issuance. Research Questions-See question 1 & 2*
8. As you've described these two items they are more decision points that policymakers need to make, but they do not describe what your option paper will be and what research or analysis you will conduct.
 - a. *See question 1 & 2*
9. I am also now unclear on what the first part (the earlier one) will entail if no other cities use GO bonds for affordable housing. This implies that you will not find any good practices of combining GO monies with other funding sources.
 - a. *See question 1*
10. Overall, I think you need to sort of "start over" and set out a list of research questions that you hope to address in the paper. Then describe how you will go about trying to answer them. One way that sometimes helps folks is to draft a hypothetical outline of your final paper that identifies the research questions and also provides some hypothetical answers. You can do this in a very succinct way.

DETAILED WORKPLAN AND BIBLIOGRAPHY

Michael Hellier

8/12/11

Abstract

The Housing Opportunity Fund is one of Atlanta's tools in establishing quality workforce housing to its citizens with the goal of providing "financing to address a wide range of affordable housing needs across the income spectrum for homeowners, builders, developers, and community housing development organizations(CHDOS) (Authority, 2011b). There has already been one bond issuance, and there is another budgeted to take place in the near future. The first allocation of funds resulted in approximately 1,300 units of affordable workforce housing, and has been deemed successful. However, in light of the recent hardships the city of Atlanta has faced it is unable to pay the debt service on the bond issuance. Through my research I am striving to offer the city viable alternatives to pay for this debt service, as well as suggest an allocation breakdown for the next bond issuance.

Background on the Research Topic

The Housing Opportunity Fund commenced during Mayor Shirley Franklin's administration with the goal of adding 10,000 units of affordable workforce housing by 2009 (Authority, 2011a). Workforce housing is defined by the Urban Land Institute defines as "housing that is affordable to households earning 60 to 120 percent of the area median income." More simply put, it is the void between subsidized affordable housing and market rate housing (Institute, 2011). One of the primary steps toward that goal of Mayor Shirley Franklin's goal the Housing Opportunity Fund which raised money through a general obligation bond issuance. This fund brought together four major stakeholders in 2007 to make a positive impact on the affordable housing stock in Atlanta through multi-family loans, single-family loans, land assemblage, Community Housing Development Organization

(CHDO) loans, and HOPE VI investment. The partnership operated with the City of Atlanta deciding how the funds would be distributed and the Urban Residential Finance Authority issuing the general obligation bonds (Authority, 2011a). The first bond issuance was regarded as a success, but before results are analyzed and the future discussed, the events leading up to the Housing Opportunity Fund will be briefly chronicled.

Mayor Shirley Franklin's goal of significantly adding to the affordable housing stock in the City of Atlanta began as soon as she took office. In 2002 a taskforce was commissioned to establish recommendations that responded to the city's housing needs. In a report titled "A Vision for Housing in Atlanta: *Great Housing in Great Neighborhoods*", there were six strategic actions recommended. They were to improve the regulatory process, leverage resources already possessed, emphasize the need for workforce housing, protect and expand options for senior citizens, establish relationships within the community to create great neighborhoods, and appoint a housing czar (Franklin, 2002).

The main goal of the task force was to take Mayor Shirley Franklin's vision and produce practical steps that would reach the goals set forth. Before the task force began its work, it recognized two basic premises that set the tone for the rest of their appointment. The first was establishing a causal relationship between poor school quality, crime, lack of park space, inadequate access to goods and services, and inadequate housing to the poverty that many of the city's residents face. The second premise was understanding the advantage the city had in leveraging the existing physical assets (Franklin, 2002). With these foundations, the taskforce set out to revitalize existing neighborhoods for current residents, and to expand the middle-class through attracting more people into the city of Atlanta's neighborhoods and lifting low-income residents into the middle class (Franklin, 2002).

The next significant event leading to the Housing Opportunity Fund took place in 2004 with the New Century Economic Development Plan for the City of Atlanta. In this report seven goals were established with a deadline of 2009, one being to add 10,000 workforce housing units. To accomplish this, the report identified six action items identified below, including establishing a trust fund to be administered by the Atlanta Development Authority (Company, 2004 & 2005).

Action Items	Owner	Active Partners	Launch Date	Completion Date
Reformat and expand the Urban Enterprise Zone Program	Planning	ADA	Q4, 2005	Ongoing
Implement an effective Inclusionary Zoning program	Planning	N/A	In Process	Ongoing
Use Tax Allocation Districts and URFA aggressively to generate affordable housing	ADA	N/A	In Process	Ongoing
<i>Establish a Workforce Housing Trust Fund</i>	<i>ADA</i>	<i>N/A</i>	<i>Q4, 2005</i>	<i>Q4, 2005</i>
Adopt a standardized definition for workforce housing	Planning	N/A	Q4, 2005	Q2, 2005
Form a City team to implement, monitor and report on the program	Planning	N/A	Q3, 2005	Q4, 2005

The buildup of support to improve the affordable housing stock in Atlanta, specifically workforce housing, culminated when the city established the Housing Opportunity Fund in 2007. The goal was “to provide financing to address a wide range of affordable housing needs across the income spectrum for homeowners, builders, developers, and community housing development organizations(CHDOS) (Authority, 2011b)”. The initial issuance was approved for \$35 million and allocated to eight different categories involving loans, HOPE IV investment, and land acquisition. The largest category in terms of the revised budget was single family mortgage assistance, which entailed a second mortgage loan amounting to 10 percent of the sale price for home purchase, as well as loans for purchase and rehabilitation (Authority, 2011b). The loans were structured at 0 percent interest with repayment due if the property was sold, refinanced, or rented out. The second largest category was an investment in a HOPE VI property, Ashley at Collegetown. The multifamily loan category was third largest, which gave second mortgages to multifamily developers producing affordable rental workforce housing units. The next largest categories were loans given to developers for land acquisition to develop affordable housing, and direct funds available for land acquisition located in a Tax Allocation District (TAD). The smallest category was funds allocated to CHDO’s for affordable housing development, both single family and multifamily. In the end, the entire revised budget amounted to approximately \$28 million, which leveraged approximately \$140 million, and completed 1,290 units (Authority, 2011b). The following is a more detailed explanation of this summary.

Category	Original Budget	Total Reallocation	Revised Budget	Funds Expended	Remaining Balance	Private Investment Leveraged	Units Complete
Multifamily Loans	\$5,500,000	(\$1,300,000)	\$4,200,000	\$1,780,000	\$2,420,000	\$11,886,644	282
Single Family Loans (Mortgage Assistance)	\$5,100,905	\$8,400,000	\$13,510,905	\$11,811,144	\$1,699,761	\$81,614,455	633
Single Family Loans (Homebuilder Incentives)	\$2,000,000	(\$2,000,000)	\$0	\$0	\$0	N/A	0
AHA - HOPE VI	\$7,500,000	\$0	\$7,500,000	\$7,457,214	\$42,786	\$26,050,536	375
Land Assemblage - Enterprise Foundation Loan Participation Interests	\$5,000,000	(\$2,800,000)	\$2,200,000	\$1,588,000	\$612,000	\$20,500,000	0
Land Assemblage - Direct Land Acquisition	\$500,000	\$500,000	\$1,000,000	\$0	\$1,000,000	\$0	0
CHDO Loans	\$2,845,656	(\$1,900,000)	\$945,656	\$0	\$945,656	\$0	0
Interest Earnings	\$0	(\$900,000)	(\$900,000)	\$0	(\$900,000)	\$0	0
Totals	\$28,456,561	\$0	\$28,456,561	\$22,636,358	\$5,820,202	\$140,051,635	1,290

Source: Housing Opportunity Fund Update - Status Report (Authority, 2011b)

Research Questions

The Housing Opportunity Fund is currently approved for a second bond issuance, but the city of Atlanta is not in a position to pay the \$1.5 million in debt servicing required.

Regardless of the reason, if this opportunity passes the community would be forgoing approximately \$40 million in funding for affordable housing, resulting in nearly \$196 million in leveraged funds and 1,800 of completed units according to the data from the first fund distribution. To avoid losing out on such an impactful resource, questions need to be answered. Most importantly, *what are the cities options to cover the debt service for the second general obligation bond issuance?* It is understood that the city is not able to cover the debt service, thus another source of funds will need to be identified. Affordable housing advocates prefer an option that is sustainable enough to survive the economic cycles. This research questions main objective is to supplement the current dialogue that the cities affordable housing advocates are having by presenting an analyzed list of viable alternatives. This list will be compiled by reviewing methods of creative financing used across the nation. These methods will not be constrained to affordable housing financing methods, but will include examples of financing for a variety of services. The main resource for this list will come from conversations with leaders, experts, and practitioners throughout the United States, but I will also research articles, journals, and other literature to ensure a large amount of alternatives are analyzed. By not limiting this search to our immediate region, the city of Atlanta will be able to learn from the mistakes and successes of other cities and municipalities.

In addition to developing a sustainable model for the Housing Opportunity Fund, the distribution of resources from the first bond issuance must be evaluated to determine whether the categories are still appropriate. The initial round was deemed successful, but the changing landscape of the city of Atlanta may have altered priorities in the community, thus the following question needs to be answered; *how should the funds raised from the second Housing Opportunity Bond issuance be distributed?* The objective of this question is to determine what categories the second bond issuance should be allocated to according to

efficiency, effectiveness, cost, or some other criteria. To determine the categories and criteria for evaluation, local experts in the field will be consulted with two goals. The first goal is to evaluate the initial disbursement of funds based off of their criteria, and the second is to recommend new categories and areas of focus for the next fund disbursement. In addition to the interviews, I will also analyze the effectiveness of the first issuance by reviewing the data collected by the Atlanta Development Authority. I will use simple ratios and calculations to compare the categories to each other. For example benefit-cost, private funds leveraged, time required, etc. The focus will be on the amount of funds each component of the program should receive, and not where the funds should be spatially dispersed.

As stated above, the main focus of my research will be compiling opinions from various experts and practitioners in the Atlanta region, and across the United States. I currently have a list of local people I will correspond with, and will schedule our meetings in the near future. This list currently includes the following people, but it is expected to grow.

Andy Schneggenburger – AHAND

Meaghan Shannon-Vlkovic – Enterprise

James Shelby – City of Atlanta

David Bennett – City of Atlanta

Peter Hayley – University Community Development Corp.

Natallie Keiser – RRC

Kate Little – G Stand

Ernestine Garey - ADA

This list of local practitioners will pertain to part of the first and the entire second research question. The remaining interviews for the first research question will be conducted to experts across the United States. As of now I have not identified specific people, but will seek out those involved in financing municipality services, development authorities, housing authorities, and transportation authorities with the intention to learn

of new resources as my research continues along. I do not have a set number of people I would interview, rather I will continue gathering opinions as long as it is relevant to my research objective.

The extent of both sets of interviews will depend on what type of interview I will be conducting. If it is an in-person or over the phone I will ask questions to reach my objective, but allow for the interviewee to expand and comment on what they feel is necessary since they are the experts in this field. For email correspondence I will be more direct in my questioning to ensure they answer the questions I need them to. The length of the interviews will depend on how well they are going, but at a minimum they should last approximately 15 minutes for in-person interviews.

The following is a preliminary list of resources that I will be reviewing for background research and to reach my two research objectives.

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LITERATURE REVIEW ETC.

11/29/12

Introduction

The current economic recession has created a persistent challenge for cities starting in 2007, and the situation will likely worsen over the next few years. Part of this challenge is due to shrinking revenues, mainly because of the decline in property tax receipts as a result of the depressed real estate market. According to a survey of 1,055 cities completed by the National League of Cities, property taxes have fallen by 3.7 percent since 2010. Unfortunately, cities will continue to experience declining property taxes through 2013 as assessments follow the market. Unstable consumer confidence, rising unemployment, and declining incomes have also resulted in falling tax receipts. Figure 1 below displays percent changes in tax revenues. The data is from the survey completed by the National League of Cities mentioned above (Pagano, 2011).

Percent Change in Tax Revenues

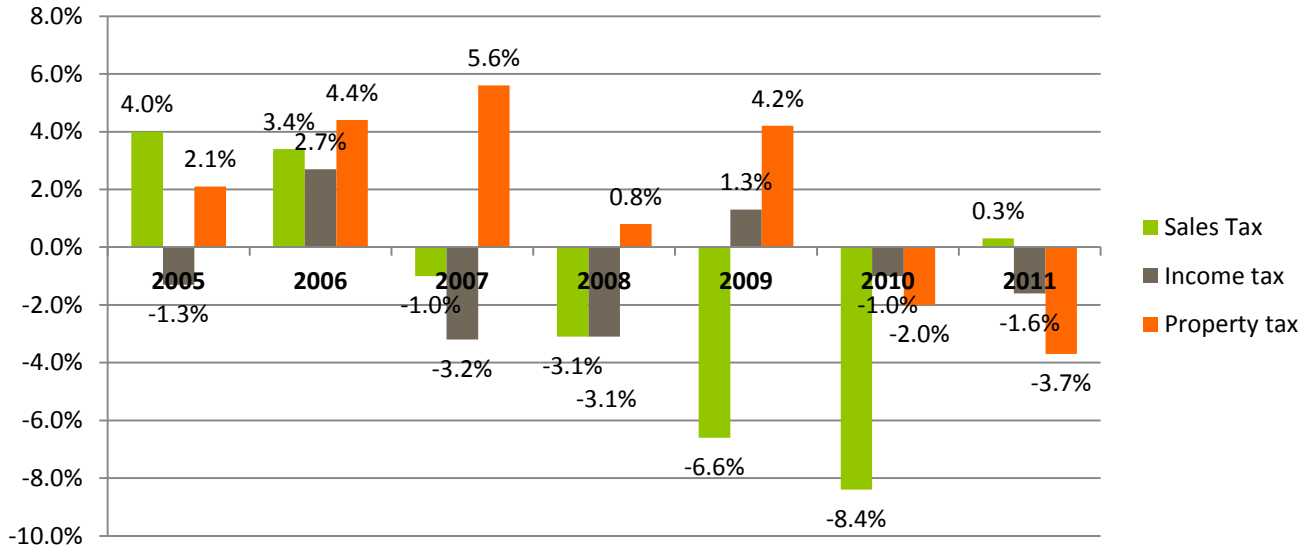


FIGURE 1 - SOURCE: (PAGANO, 2011)

Cities are forced to make extremely difficult decisions due to declining revenues. Programs are being cut, budgets slashed, and priorities rearranged. This scenario is occurring across the country, including the city of Atlanta. Currently affordable housing advocates want to issue another round of general obligation bonds to fund the Housing Opportunity Fund. However, the city of Atlanta is not in a position to service the debt through the general fund, which it has done in the past. This dilemma leads to the first research question. What options are available for the city of Atlanta to service the general obligation bond's debt? The following is a review of relevant literature documenting what other municipalities are doing, and what people are suggesting. Many of the resources are about housing trust funds in general, and not limited to trust funds backed by general obligation bonds.

Research Question No. 1— What Sources Can Service The General Obligation Bond's Debt?

Funding for a city's low-income housing effort can come from a variety of sources. General revenue, taxes, and outside contributions are a few popular ones, but not all sources are right for a city. For example, impact fees will be successful in a city with high levels of real estate activity, but another source should be used for an area

with a slower market. Sources which are linked to the specific cities makeup will give the fund the best chance to succeed (Grimes, 1992).

Another important consideration when identifying potential sources is how politically viable it is. Some sources may seem to be good fits at first glance, yet unrealistic due to the political power of its base. Furthermore, the most politically sustainable sources of funds for any city are those that are dedicated and not subject to an appropriation process. Atlanta is in this current dilemma because the general fund was used as the only revenue source. This meant the fund's revenue source was not dedicated, and subject to the annual appropriation process. Although a dedicated source is favorable, unfortunately it is not completely safe. Some states have redirected funds from dedicated sources for other unassociated purposes (Center for Housing Policy, 2008)

In 2007 the Center for Community Change conducted a survey of various cities' housing trust funds. Part of their research was to determine each fund's revenue sources, and the most common sources out of the 56 trust funds surveyed were developer impact fees, the general fund, and inclusionary zoning in-lieu fees. Figure 2, located below, displays the most widely used funding sources; others include casino revenue, excess lease fees, residual money from other funds, and sales tax. Another important finding from this study is how many sources each city used for their housing fund. Out of 56 of the funds surveyed, 37 had one source, 13 had two sources, 2 had 3 sources, and 4 had 4 sources (Brooks, 2007). Although people would think it prudent to find as many sources as possible, sometimes that creates unintended obstacles. This will be discussed later.

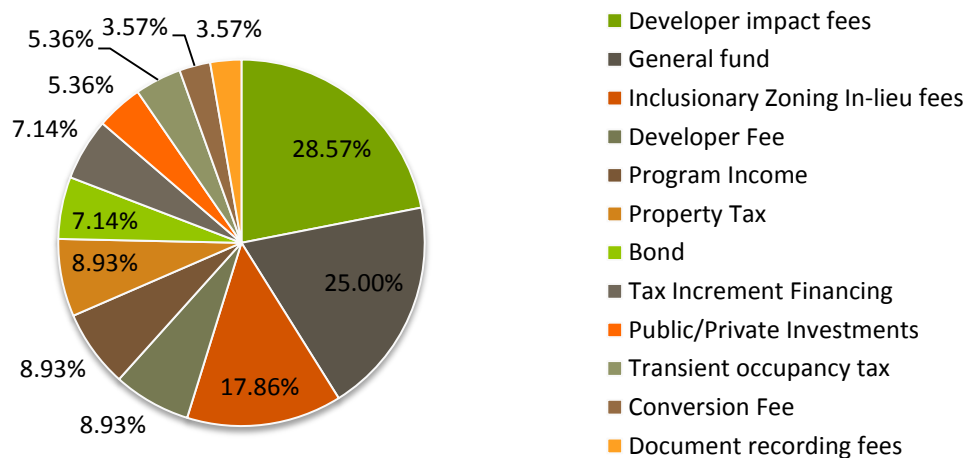


FIGURE 2: SOURCE - (BROOKS, 2007)

There have been two funds that have failed, one is currently in a state of “reorganization”, and another is experiencing a moratorium since the completion of this survey. It is highly possible that some of the other 53 funds are ineffective due to underfunding, but it is difficult to tell without completing extensive research. The two funds that have failed are the Tucson Housing Trust Fund and the Duluth Housing Investment Fund. The history of these funds will be reviewed in an attempt to learn from their lack of sustainability.

Tucson Housing Trust Fund

The Tucson Housing Trust Fund (THTF) was established in October 2006 with support coming from the mayor and city council members, who understood that “good quality housing that is affordable to the average family is a keystone for Tucson’s future” (City of Tucson, 2011). The annual funding goal was three to five million dollars, which would come from property sales, rental conversion fees, and funds from other programs. The beginning of this program had grand ambitions. Advocates believed that the trust fund would be able to leverage other sources of funds and becoming self-sustaining within five years. Unfortunately these ambitions fell short. By 2009 the fund had raised approximately \$500,000, other sources were disallowed to make up for the shortfall.

The economy played a major role trust in these trust fund failures. Conversion fees were intended to provide millions of dollars, but only contributed approximately \$30,000 in total. Advocates worked hard to find other sources in light of the unviability of the original ones, but politics and lobbying prevented any progress (Devine, 2009). The failure of this fund can be prevented in other cities if the local market is understood. The Tucson Housing Trust Fund was always vulnerable by having condo conversions as the only source of funding. Real estate activity would have needed to sustain a torrent pace in perpetuity for conversion fees to be a successful source.

Duluth Housing Investment Fund

In 2005 the city of Duluth created the Duluth Housing Investment Fund, which was funded by revenue coming from the Fond-du-Luth Casino. In this situation the fund had approximately \$500,000, and was a priority of the mayor. The Duluth City Council did not share the same opinion about the fund, and at one point voted to cut the program. Initially the motion was vetoed by Mayor Herm Bergson, but after much discussion the city council

eventually cut the program in the apportionment process (Kelleher, 2007). This situation is not unique when the funding source is open to the budgeting process. As new councils are elected and administrations change, so do the priorities of city hall. This example reminds cities that funding sources are rarely completely secure, and advocates must be vigilant in demonstrating the importance of affordable housing programs through lobbying, fostering relationships, and connecting with the community.

Funding Sources

Developer Fee

The most common source of funding for the 56 surveyed funds is a developer fee. These exactions from the private sector are used in approximately 38 percent of the funds. Typically these exactions are in the form of impact fees, more commonly known as linkage fees when referring to affordable housing, which occur when a municipality requires a developer to pay a “fee or exaction to compensate the government for the increase in facilities that will be required to service the development and the people who live there or use the developed facilities” (Werner, 2002). The fees are imposed when the development is platted or the building permitted at a per unit or per square foot basis (Frej, 2005). Linkage fees can be a great tool for communities to fund affordable housing efforts, but some municipalities abuse it by enforcing illegal exactions or pricing the fees too high. The right balance of equity is necessary for impact fees to be successful in the long run (Been, 2005).

General Revenue Fund

The general revenue fund for a municipality can also be a source of funding for housing trust funds. The general fund is the principal pool of money for a municipality, and accounts for all activities which do not have a unique fund (City of Atlanta, 2011). Approximately 25 percent of the surveyed funds use the general fund as a source. Although this is a widely used source and may be relatively easy to acquire, it is highly vulnerable to cuts due to political whims and budgetary issues. Furthermore, this fund has been decreasing since 2007. Figure 3, located below, displays percent change in general fund revenue and general fund expenditures. The data is from a survey completed by the National League of Cities, which sampled 1,055 cities (Pagano, 2011).

General Fund Revenues and Expenditures

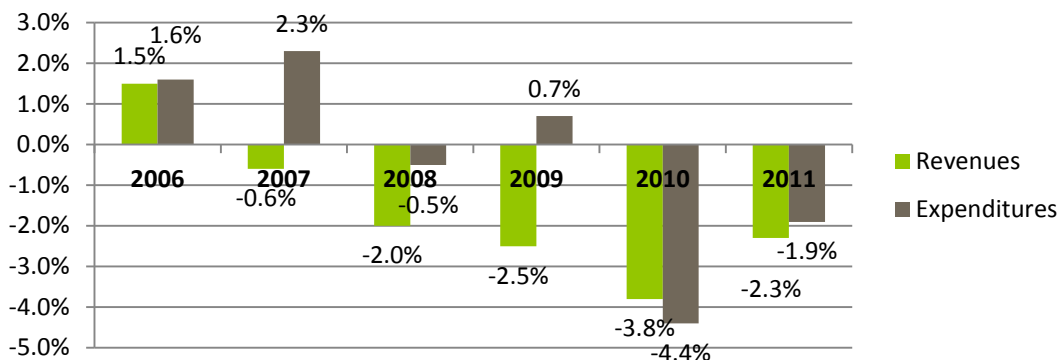


FIGURE 3 – SOURCE (PAGANO, 2011)

Inclusionary Zoning Fees In-lieu of Units

The third most widely used source is fees from inclusionary zoning requirements. Generally, inclusionary zoning requirements mandate a certain percentage of housing units be set aside at below market rate, but a developer can choose to pay a set fee in-lieu of the units. Out of the surveyed funds approximately 18 percent used this type of source. Essentially this strategy is linking affordable housing efforts with the areas real estate activity by requiring developers to set aside a percentage of the units as affordable, or to pay a certain rate instead. Although it is ideal if the units are built within the market rate housing to create a mixed-income community, the in-lieu fees are important for the viability of some housing funds. As with many of the strategies, this is not immune to economic cycles and political transitions. Communities are often pressured into placing a moratorium on this policy to incentivize developers to build in their area (Center for Housing Policy, 2010).

Suggestions for Trust Funds – San Diego Case Study

Trust funds have become a popular tool for providing affordable housing in many cities, thus there are important lessons to be learned from other experiences. One important case study to analyze is the city of San Diego's successful efforts of establishing a trust fund in the late 1980's. The city was in desperate need of affordable housing support with declining federal assistance, a rising low-income population, and median home pricing twice as much as the national median. To make things worse the city was facing a budget shortfall of \$60 million. To make matters worse, there was little affordable housing advocacy from the private sector or any level of

government. The non-profit housing development sector essentially was nonexistent, and the San Diego Housing Commission was ineffective in meeting their goals. This was resulting in a serious issue for a large segment of San Diego's population (Grimes, 1992).

In a fortunate turn of events, the San Diego Housing Commission hired a new executive director and appointed a new council member as Housing Commission Chairman. These two key players understood the desperate situation, and believed a housing trust fund was the best way to "make a significant dent" in the housing problem (Grimes, 1992). Advocates incorporated three strategies in order to implement the trust fund. These were coalition building, framing the issue, and building consensus (Grimes, 1992).

The first step that advocates in San Diego took was to build a coalition of neighborhood based groups that could create a politically formidable. Housing commission planners educated the various groups on the potential impact a housing trust fund could have from a financial sense. These groups were facing funding issues, thus understood that a housing trust fund was "a mechanism that not only could provide low-income housing, but could also help stabilize their organizations, increase their influence, and fund their activities (Grimes, 1992)." Eventually these community groups formed the San Diego Housing Trust Fund Coalition, with the help from planners at the San Diego Housing Commission. This key group of people did not actively call for this commission to be formed, but fostered important relationships and provided research to help inform decisions. This passive approach was important in order to not overstep boundaries imposed from their job duties (Grimes, 1992).

The next issue which advocates had to confront was the anticipated ideological spin that opponents would put on the debate. To mitigate this, advocates attempted to change people's perception of affordable housing from the idea of benefiting the "non-deserving", to supporting the hard working middle class. Along with attempting to alter people's perceptions, advocates also framed the issue in the following ways: economic development, jobs/housing balance, homelessness, and neighborhood revitalization (Grimes, 1992).

The final goal key to the success of the San Diego Housing Trust Fund was to build enough support. Since the revenue source was likely to be linked to development, the real estate industry was important group to engage. People involved with the process also debated how many revenue sources to target. Initially it was recommended

to target a wide variety of sources, believing it prudent to frame this as a community wide response instead of just exacting resources from the development community(Grimes, 1992).

In the end the revenue sources and amount of funding for the trust fund was reduced, but still represented a significant contribution to the housing issue. While other cities may not be able to replicate the specifics from the San Diego case, the successes of housing advocates is reassuring for other cities. This case study showed that with proper support and leadership it is possible to establish a meaningful fund even in times of political, economic, and organizational despair. The other lesson is how to properly mix revenue sources for a fund. It is easy to argue that communities should strive to find as many revenue sources as possible to ensure long term stability, but this is a double edged sword. In San Diego an initial proposal suggested five different revenue sources, which sounds like a good idea, but as communities increase the number of sources they also increase the number of opposition groups. This can lead to a powerful coalition with the ability to kill the entire fund. There is less opposition and sometimes a better chance for the program to proceed in the early stages if a limited number of sources are targeted. In the end there are positives and negatives to both approaches, but in San Diego the limited number of sources led to a lack of opposition (Grimes, 1992). Los Angeles has had a successful trust fund for some time, and suggests a somewhat similar tactic. However, instead of decreasing opposition the advocates in Los Angeles focused on building support for the fund. At the beginning stages of the process the advocates did not identify any specific sources. This allowed them to build support without introducing disagreements in the beginning stages (Housing LA / Southern California Association of Non-Profit Housing, 2004). These two strategies are about increasing the number of supporters, and decreasing the number of opponents. Another strategy that Los Angeles affordable housing advocates implemented was taking advantage of their upcoming local elections. Each candidate was given a survey to document their feelings on affordable housing. They were also given a tour of slums, and well-developed affordable housing to contrast. The efforts made such an impact on the candidates that each went on record supporting affordable housing efforts, as well as the trust fund.

Conclusions

After reviewing the reports, articles, and research on the topic there are a number of things that are clear. First it is evident that trust funds have continued to survive even through the recession. Out of the 56 trust funds

surveyed in 2007, there were only two that clearly failed. Others may be experiencing difficulties, but they are still surviving. This offers hope to advocates across the country that funds can survive to make a real difference in their community. Another important finding is that there are clearly favored sources for supporting these housing funds, but each type of source is not appropriate for every area. For example, some areas have the right atmosphere to institute inclusionary zoning, but others lack the political and community support. Finally, it is evident that even during times of extreme difficulty and opposition, there are passionate people successfully finding revenue sources for these housing funds. These findings offer the city of Atlanta hope to revive the Housing Opportunity Fund into a successful program that is sustainable and resilient in the face of economic and political cycles.

Research Question No. 2 – How should the funds be allocated?

The second research question will be to determine how the funds should be allocated to the various program alternatives. The initial round was deemed successful, but the changing landscape of the city of Atlanta may have altered priorities in the community. The objective of this question is to determine what categories the second allocation should focus on according to efficiency, effectiveness, cost, type of housing, targeted income group, and/or some other criteria. To determine how the city of Atlanta should distribute future funds, the previous allocation will be reviewed and local practitioners will be surveyed. Analyzing the past and understanding changing priorities will inform how future funds should be distributed. In addition, I will also review relevant literature in this section. The majority of the analysis will consist of reports from the city which detail the area's needs and some national research making suggestions for local communities.

Broad Suggestions

Identifying a city's affordable housing needs is an important task. This will dictate how a strategy for funding and support will be formed. The first step is to produce an overarching theme which all efforts can lead to. This can be as broad as adding and preserving affordable units, and as focused as increasing homeownership rates. To develop this goal and focus on specific issues, advocates should conduct a needs assessment for the area (Center for Housing Policy, 2008). The following are other strategies which HousingPolicy.org identified as key to success.

1. While it may be harder to develop and implement, a comprehensive housing strategy is more likely to have a major impact than a narrowly focused one.
2. An approach that addresses the full range of housing needs in the community can bring in a wider array of stakeholders.
3. In addition to affordability and quality, communities may wish to consider the location and energy-efficiency of housing.
4. In a world of limited resources, it is important to ensure that affordable homes remain affordable over time.
5. Define the problems to be addressed in ways that lead to commonality of interest.

Source: (Center for Housing Policy, 2008)

Affordable Housing Post-Recession

Since 2007 the affordable housing landscape has changed and priorities have shifted. The increase in foreclosures and unemployment has had a depressing impact on low-income households, exacerbating the already bleak affordable housing landscape in most areas. Before the recession the homeownership industry was growing at an unsustainable rate. Home prices were skyrocketing and lending requirements were extremely relaxed. This led to approximately 2.5 million foreclosures when the economy declined in 2007. The increase in foreclosures not only presented a new issue for advocates, it also made apparent the lack of affordable rental units (Smith, 2011). In 2009, 7.1 million households had worst case needs, which HUD defines as “very low-income renters who do not receive government housing assistance and who either paid more than one-half of their income for rent or lived in severely inadequate conditions, or both (Steffen, 2011).” These households with worst case needs are impacted more by economic downturns without the proper assistance.

It would seem that declining home prices would reduce the housing cost burden for all income levels, but this has not been the case over the past few years. As of 2009, over 33 percent of households were paying over 30 percent of their income for housing, and 17 percent were spending over 50 percent. These numbers are already significant, and it is probable for the situation to worsen over the next few years (Joint Center For Housing Studies, 2011). These issues “reflect the long-term rise in housing costs and the ongoing weakness in income growth in the bottom half of the distribution (Joint Center For Housing Studies, 2011).” This trend started in 2000, and the recent economic recession has only made matters worse.

As indicated, the recent recession has brought about devastating foreclosures which are magnifying the need for affordable rental units, as well as the need for stabilization and foreclosure prevention assistance. This

foreclosure crisis has, and will continue to have, a negative effect on communities, especially low-income neighborhoods that lack enough demand to absorb the increase in vacant homes. This increase results in a decline of property values for the surrounding neighborhood due to negative physical externalities from the vacant properties, as well as the discounted sales prices that real estate owned (REO) properties sell for. The lower sale prices effects the neighborhood because of the most common form of value determination in appraisal methodology. This method, known as the sales comparison approach, concludes to a value based off of comparable sales. Thus, artificially low sale prices from REO sales will bring typical sales prices down. Another negative impact is the physical results from increases in vacant properties, which tend to be blighted and havens for crime (Immergluck, 2011).

To diminish these negative effects, communities can develop strategies targeting foreclosure prevention, mitigation of negative effects, and assisting foreclosure victims (Center for Housing Policy, 2011). The first step is to gather quality data on the neighborhood scale. This will allow advocates to tailor strategies for each neighborhood since needs will vary. Along with the number of loans and foreclosures, socioeconomic data is also necessary to attempt to predict the risk of foreclosure. This data will allow advocates to determine how stable a neighborhood is in terms of foreclosures, and the state of the housing market. Figure 4 below was developed by the Urban Institute for the Open Society Institute which serves as guidance for different municipalities which use this data. This matrix allows advocates to tailor strategies specific to neighborhoods in terms of the strength of the real estate market and status of foreclosures. For example in a weak market with high foreclosure rates already present, municipalities should consider land assemblage and demolition.

	C. Actual high foreclosure density	B. High risk of high foreclosure density	A. Low risk of high foreclosure density
1. Strong Market	Facilitate rapid sales to sustainable owners, low/no subsidy	Lower cost effort to prevent foreclosures and vacancies, low/no subsidy	Lower priority

2. Intermediate Market	High payoff/priority, rehab and rapid sale to sustainable owners, target subsidies, neighborhood maintenance	High payoff/priority, prevent foreclosures and vacancies, emphasize neighborhood maintenance	Lower priority but watch carefully, head-off emerging problems early
3. Weak Market	More emphasis on securing/demolishing, land banking to hold until market rebound	Lower cost effort to prevent foreclosures and vacancies	Lower priority but watch carefully, head-off emerging problems early
<i>Figure 4: Source - Developed by the Urban Institute for the Open Society Institute (Center for Housing Policy, 2011)</i>			

City of Atlanta Reports

A Vision for Housing in Atlanta – 2002

This report was prepared by a Housing Task Force commissioned by Mayor Shirley Franklin in 2002 to produce practical steps toward improved workforce housing. The intended audience of this report was the city of Atlanta, which was supposed to use the report to implement the reports vision. Mayor Shirley Franklin wanted to improve the availability of workforce housing within Atlanta’s “great neighborhoods”, which were identified as communities with “ample green space for play and relaxation, safe streets, a wide diversity of people, a network of pedestrian paths and sidewalks, small scale retail and restaurants, great schools, houses of worship, and workforce and more upper scale housing in the same neighborhood (Franklin, 2002).” The report identified five major themes which make up the vision.

1. Encourage the recent positive trend of more families and individuals moving back into the City to live.
2. Revitalize our existing neighborhoods for our existing residents, particularly our seniors.
3. Link our housing efforts to the other building blocks of healthy communities---quality schools, safe streets, parks, employment centers, and pedestrian links to retail and community service centers that support comfortable human interaction.
4. Strategically target public investment in certain selected neighborhoods.
5. Position Atlanta as a leader in creating a regional vision for housing.

Source: (Franklin, 2002)

To strive toward this vision the task force made six recommendations which for the most part were broad policy issues rather than program tactics. For example, they suggest streamlining the permitting process, utilizing housing resources, establishing alliances, and appointing a housing czar. However, there were a handful of focused

suggestions. The first is an emphasis on establishing units for working persons within the 30 to 80 percent of area median income, directing rental resources toward the 30 percent AMI boundary, and homeownership resources toward the 80 percent AMI boundary (Franklin, 2002). Figures 5 and 6 below present a more detailed look at this. Other suggestions from this report including land assemblage, providing infrastructure improvement assistance, promotion of mix-ed income housing, preservation of existing affordable units, and avoiding concentration of affordable units.

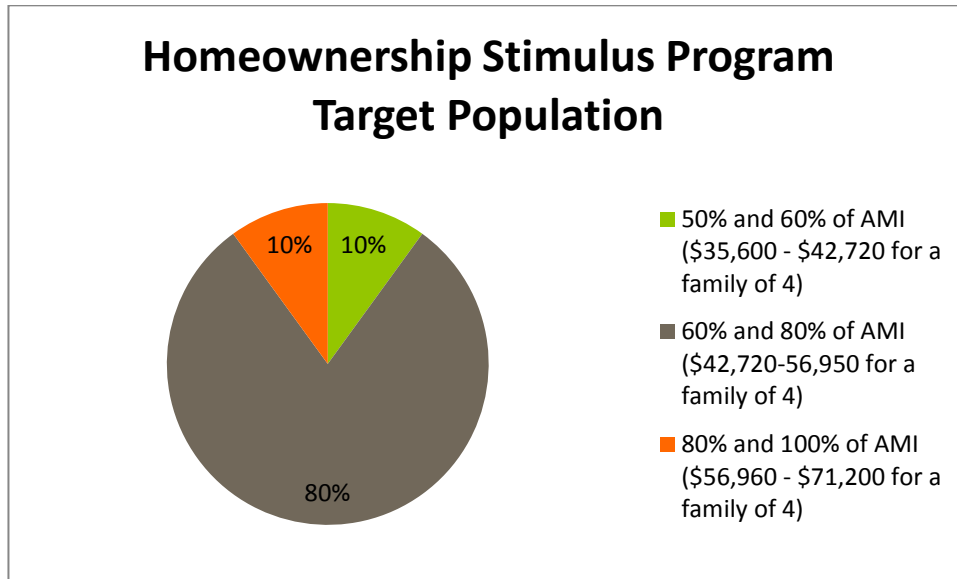


FIGURE 5 - SOURCE: (FRANKLIN, 2002)

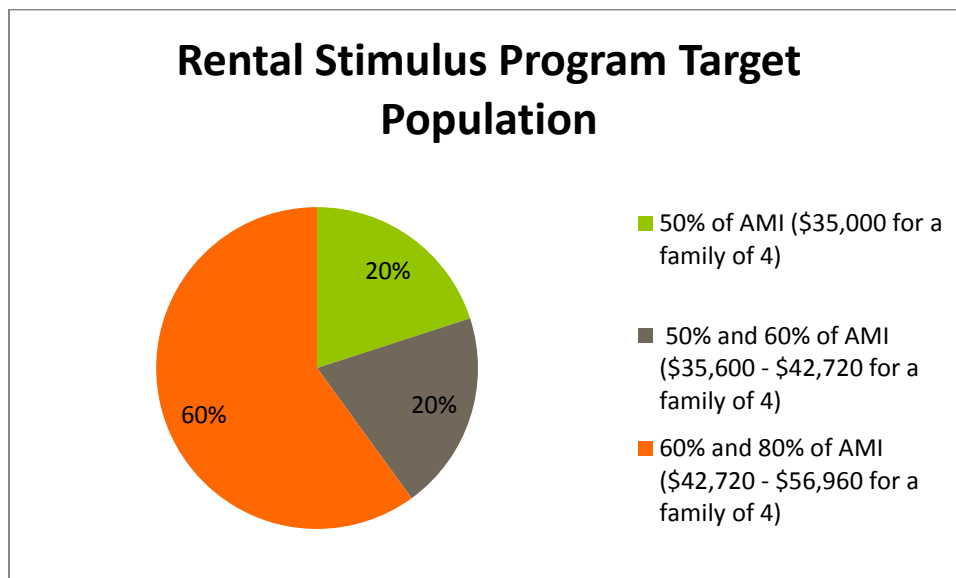


FIGURE 6- SOURCE:(FRANKLIN, 2002)

New Century Economic Development Plan for the City of Atlanta – 2004/2005

This development plan was established started in 2003 with pro bono assistance from Bain and Company at the direction of Mayor Shirley Franklin. Its intention was to direct and inform the cities to make improvements in three areas; healthy neighborhoods, economic opportunity, and physical infrastructure. Within each category were a number of issues, one being workforce housing (The City of Atlanta and Bain & Company, 2004 & 2005). The ‘action items’ in this report are listed below in figure 7, but they are not a focused. While they are not programs which funds can be diverted to, the policy suggestions are useful.

Action Items	Owner	Active Partners	Launch Date	Completion Date
Reformat and expand the Urban Enterprise Zone Program	Planning	ADA	Q4, 2005	Ongoing
Implement an effective Inclusionary Zoning program	Planning	N/A	In Process	Ongoing
Use Tax Allocation Districts and URFA aggressively to generate affordable housing	ADA	N/A	In Process	Ongoing
Establish a Workforce Housing Trust Fund	ADA	N/A	Q4, 2005	Q4, 2005
Adopt a standardized definition for workforce housing	Planning	N/A	Q4, 2005	Q2, 2005
Form a City team to implement, monitor and report on the program	Planning	N/A	Q3, 2005	Q4, 2005
<i>Figure 7: Source - (The City of Atlanta and Bain & Company, 2004 & 2005)</i>				

Summary of the City of Atlanta’s 2010-2014 Consolidated Plan –2005

The U.S. Department of Housing and Urban Development (HUD) mandates that each city wishing to receive CDBG, ESG, HOME, and HOPWA funds must submit a consolidated action plan. As HUD states, this plan must be prepared through “a collaborative process whereby a community establishes a unified vision for community development actions (City of Atlanta, 2010).” The goal of this effort is to organize community development and

housing efforts, avoid inefficiencies, and link various organizations goals. The consolidated plan is evaluated based on three goals set by HUD, which are;

1. “Decent Housing (assistance to affordable housing for homeless and those at risk, retaining affordable housing, increasing availability for low/moderate income families especially for disadvantaged, increasing supportive housing)”
2. “A suitable Living Environment (improving safety, livability of neighborhoods, eliminating blight, increasing access to public and private facilities)”
3. “Expanded Economic Opportunities (job creation and retention for low income persons, empowerment and self-sufficiency)”

Source: (City of Atlanta, 2010)

The plan identifies a large amount of statistics and data which informs its intentions regarding affordable housing needs within Atlanta. One is that 1/3 of households are either “cost burdened, overcrowded or lack basic plumbing and kitchen facilities” as of 2003 (City of Atlanta, 2010). It also states that there is a large group of people that rent in overcrowded conditions. The overcrowded units are not as a result of large families; rather all family sizes cannot find affordable quality housing. Another aspect of the Atlanta’s affordable housing challenges is the housing market and recent economic recession. The unemployment rate increased significantly and foreclosures hit record breaking numbers for all of Atlanta, but the lower-income households were impacted the most. The report also states the cities intentions create mixed-income communities.

The report also stated specific priorities with focused goals. To improve the existing housing stock the city intends to assist low-income homeowners with repairs and rehab, support acquisition and rehabilitation of multi-family rental units, and assist in energy efficiency efforts. The city also intends to assist low and moderate income households in homeownership efforts through homebuyer education, down payment assistance, and second mortgage subsidies (City of Atlanta, 2010).

Conclusion

From the literature reviewed, there are a number of strategies in which the city of Atlanta can utilize. In a broad sense, advocates should begin by developing a comprehensive strategy supported by quality data on research. In the beginning stages the strategy should not focus on specific strategies more than necessary, which allows the coalition to bring in as many people and organizations as possible to support the cause. More specific strategies include targeting at risk neighborhoods, including energy efficiency strategies, and ensure that preservation is a priority.

Most of the literature is in the form of government documents and reports from the city of Atlanta starting in 2002. The strategies identified focus on strengthening the affordable opportunities for rental and homeownership. To increase the amount of homeowners in the low-income population, the city suggests more homeowner education, availability of down payment assistance, and subsidizing secondary mortgages. Other strategies include land assemblage, mixed-income community promotion, decrease in the amount of overcrowded units, and provide assistance for repairs and rehabilitation. The variety of strategies from the variety of sources gives the city of Atlanta tangible ideas for how to set their priorities. What is essential for the city to be successful is to capitalize on the passionate advocates which are present. Utilizing this resource can give the city the vision needed to make substantial and sustainable changes.

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The Housing Opportunity Fund is currently approved for a second bond issuance, but the city of Atlanta is not in a position to pay the \$1.5 million in debt servicing required. Regardless of the reason, if this opportunity passes the community would be forgoing approximately \$40 million in funding for affordable housing, resulting in nearly \$196 million in leveraged funds and 1,800 of completed units according to the data from the first fund distribution. To avoid losing out on such an impactful resource, questions need to be answered. Most importantly, *what are the cities options to cover the debt service for the second general obligation bond issuance?* It is understood that the city is not able to cover the debt service from the general fund, thus another source of funds will need to be identified. Affordable housing advocates prefer an option that is sustainable enough to survive the economic cycles. This research questions main objective is to supplement the current dialogue that the cities affordable housing advocates are having by presenting an analyzed list of viable alternatives. This list will be compiled by reviewing methods funding sources used across the nation. The main resource for this list will come from conversations with leaders, experts, and practitioners throughout the United States, but I will also research articles, journals, and other literature to ensure a large amount of alternatives are analyzed. By not limiting this search to our immediate region, the city of Atlanta will be able to learn from the mistakes and successes of other cities and municipalities.

In 2007 the Center for Community Change surveyed 56 housing trust funds, which provide a useful source for this research question. First of all it offers a number of case studies which can be used, as well as contact information for the funds. My intention is to contact all of the existing funds to answer my interview questions. This will provide a broad set of opinions to draw from.

In addition to developing a sustainable model for the Housing Opportunity Fund, the distribution of resources from the first bond issuance must be evaluated to determine whether the categories are still appropriate. The initial round was deemed successful, but the changing landscape of the city of Atlanta may have altered priorities in the community, thus the following question needs to be answered; *how should the funds raised from the second Housing Opportunity Bond issuance be distributed?* The objective of this question is to determine what categories the second bond issuance should be allocated to according to efficiency, effectiveness, cost, or some other criteria. To determine the categories and criteria for evaluation, local experts in the field will be consulted with two goals. The first goal is to evaluate the initial disbursement of funds based off of their criteria,

and the second is to recommend new categories and areas of focus for the next fund disbursement. In addition to the interviews, I will also analyze the effectiveness of the first issuance by reviewing the data collected by the Atlanta Development Authority. I will use simple ratios and calculations to compare the categories to each other. For example benefit-cost, private funds leveraged, time required, etc. The focus will be on the amount of funds each component of the program should receive, and not where the funds should be spatially dispersed.

As stated above, the main focus of my research will be compiling opinions from various experts and practitioners in the Atlanta region, and across the United States. I currently have a list of local people I will correspond with, and will schedule our meetings in the near future. This list currently includes the following people, but it is expected to grow. I will also search for reports regarding foreclosure prevention and mitigation strategies. After speaking with Andy Schenggenburger, it is apparent that AHAND members believe that foreclosure related programs should be emphasized.

Andy Schneggenburger – AHAND

Meaghan Shannon-Vlkovic – Enterprise

James Shelby – City of Atlanta

David Bennett – City of Atlanta

Peter Hayley – University Community Development Corp.

Natallie Keiser – RRC

Kate Little – G Stand

Ernestine Garey – ADA

Tracy Powell – ADA

David Haddow – Haddow and Associates

Edrick Harris – HJ Russell

James Talley – Atlanta Housing Authority

Janis Ware – Summech CDC

Dawn Luke – ADA

Richelle Patton – Tapestry Development Group

Gates Dunaway – Tapestry Development Group

Jon Toppen – Tapestry Development Group

Still to Contact

Larry Keating

Columbia Residential

Integral Group

Mercy Housing Southeast

RESEARCH QUESTION #1

SURVEYEEES: APPROXIMATELY 56 HOUSING TRUST FUNDS FROM VARIOUS CITIES

PROMPT:ABSTRACT

The city of Atlanta, Georgia is currently exploring alternative funding sources for their Housing Opportunity Fund. In the past the general fund served as the only source for the fund, but the city wants to explore other alternatives for the future. My research paper includes providing suggestions for alternative funding sources, and to do this I am surveying practitioners from cities across the United States. A more detailed description of the current state of Atlanta's Housing Opportunity Fund is attached within the email.

This survey should only take 5 to 10 minutes.

Thank you for participating.

Are local governments in your area having MORE difficulty raising funds for affordable housing currently than they did 5 years ago? Please indicate 0 to 5 (0 meaning "much easier time" and 5 meaning "much harder time").

QUESTIONS:

1. Are local governments in your area having MORE difficulty raising funds for affordable housing currently than they did 5 years ago? Please indicate 0 to 5 (0 meaning "much easier time" and 5 meaning "much harder time").
 - a. 1 : Much easier time
 - b. 2 : Easier time
 - c. 3 : About the same
 - d. 4 : Harder time
 - e. 5 : Much harder time
2. If yes, then why? Please choose one or more.
 - a. Declining revenues
 - b. Rising expenses
 - c. Political climate
 - d. Other _____
3. Are you aware of any local governments facing a problem funding affordable housing in today's economy, but still able be successful in finding creative sources?
 - a. Short Answer
4. If so, please choose one or more from the following sources:

a. Developer Fee	g. Tax Increment Financing	k. Document recording fees
b. General fund	h. Public/Private Investments	l. Housing Excise Tax
c. Inclusionary Zoning In-lieu fees	i. Transient occupancy tax	m. Leftover money from other funds
d. Program Income	j. Condominium conversion Fee	n. Residential demolition tax
e. Property Tax		o. Sales Tax
f. Bond		

- p. Use tax
- q. Other: __
5. How difficult was it to secure this source of funding? Would you recommend it to other municipalities?
- a. Short Answer
6. Are you aware of a similar example, not limited to housing? For example storm water, transportation, parks etc.
7. What funding sources do you believe are the best for funding affordable housing?
- | | | |
|-------------------------------------|-------------------------------|------------------------------------|
| a. Developer Fee | h. Public/Private Investments | m. Leftover money from other funds |
| b. General fund | i. Transient occupancy tax | n. Residential demolition tax |
| c. Inclusionary Zoning In-lieu fees | j. Condominium conversion Fee | o. Sales Tax |
| d. Program Income | k. Document recording fees | p. Use tax |
| e. Property Tax | l. Housing Excise Tax | q. Other: __ |
| f. Bond | | |
| g. Tax Increment Financing | | |
8. How many funding sources should advocates target?
- a. 1 Source
- b. 2-3 Sources
- c. 3-4 Sources
- d. 4-5 Sources
- e. 5 or more sources
9. Why do you believe that is the ideal number of sources to target?
- a. Short Answer
10. Does targeting more sources invite more opposition?
11. What types of sources invite the most opposition? Please rate each source from 0 to 10 (0 meaning “no opposition”, and 10 meaning “insurmountable opposition”).
- | | |
|-------------------------------------|------------------------------------|
| a. Developer Fee | l. Housing Excise Tax |
| b. General fund | m. Leftover money from other funds |
| c. Inclusionary Zoning In-lieu fees | n. Residential demolition tax |
| d. Program Income | o. Sales Tax |
| e. Property Tax | p. Use tax |
| f. Bond | q. Other: __ |
| g. Tax Increment Financing | |
| h. Public/Private Investments | |
| i. Transient occupancy tax | |
| j. Condominium conversion Fee | |
| k. Document recording fees | |

12. What suggestions do you have for garnering the most support for a housing trust fund?
 - a. Short Answer

13. After learning the basics of Atlanta's dilemma, what do you suggest as a viable option for the city of Atlanta to pursue?
 - a. Developer Fee
 - b. General fund
 - c. Inclusionary Zoning In-lieu fees
 - d. Program Income
 - e. Property Tax
 - f. Bond
 - g. Tax Increment Financing
 - h. Public/Private Investments
 - i. Transient occupancy tax
 - j. Condominium conversion Fee
 - k. Document recording fees
 - l. Housing Excise Tax
 - m. Leftover money from other funds
 - n. Residential demolition tax
 - o. Sales Tax
 - p. Use tax
 - q. Other: __
14. Why did you suggest those sources as a viable option for Atlanta?
 - a. Short Answer
15. Can you suggest a person, organization, or local government which may be able to assist me in my research?

RESEARCH QUESTION #2

SURVEEYES: APPROXIMATELY 20+ HOUSING ADVOCATES/PRACTITIONERS

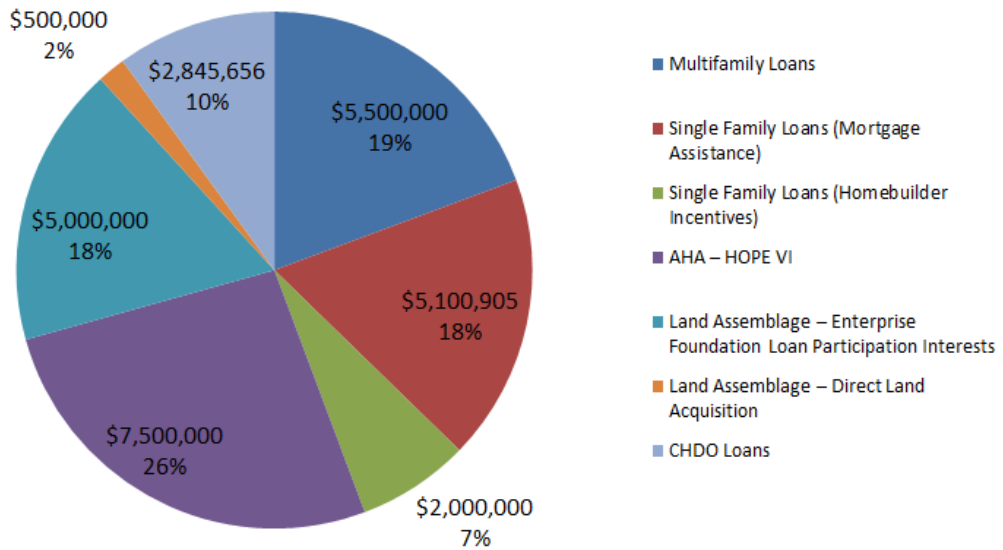
PROMPT:

In addition to developing a sustainable model for the Housing Opportunity Fund, the distribution of resources from the first bond issuance must be evaluated to determine whether the categories are still appropriate. The changing landscape of the city of Atlanta may have altered priorities in the community, thus the following question needs to be answered; ***how should the funds raised from the second Housing Opportunity Bond issuance be distributed?***

BELOW IS ALLOCATION BREAKDOWN FROM THE FIRST BOND ISSUANCE:

Category	Original Budget	Total Reallocation	Revised Budget	Funds Expended	Remaining Balance	Private Investment Leveraged	Units Complete
Multifamily Loans	\$5,500,000	(\$1,300,000)	\$4,200,000	\$1,780,000	\$2,420,000	\$11,886,644	282
Single Family Loans (Mortgage Assistance)	\$5,100,905	\$8,400,000	\$13,510,905	\$11,811,144	\$1,699,761	\$81,614,455	633
Single Family Loans (Homebuilder Incentives)	\$2,000,000	(\$2,000,000)	\$0	\$0	\$0	N/A	0
AHA - HOPE VI	\$7,500,000	\$0	\$7,500,000	\$7,457,214	\$42,786	\$26,050,536	375
Land Assemblage - Enterprise Foundation Loan Participation Interests	\$5,000,000	(\$2,800,000)	\$2,200,000	\$1,588,000	\$612,000	\$20,500,000	0
Land Assemblage - Direct Land Acquisition	\$500,000	\$500,000	\$1,000,000	\$0	\$1,000,000	\$0	0
CHDO Loans	\$2,845,656	(\$1,900,000)	\$945,656	\$0	\$945,656	\$0	0
Interest Earnings	\$0	(\$900,000)	(\$900,000)	\$0	(\$900,000)	\$0	0
Totals	\$28,456,561	\$0	\$28,456,561	\$22,636,358	\$5,820,202	\$140,051,635	1,290
Source: Housing Opportunity Fund Update - Status Report (Atlanta Development Authority, 2011)							

Figure 1 - Original Budget



Revised Budget

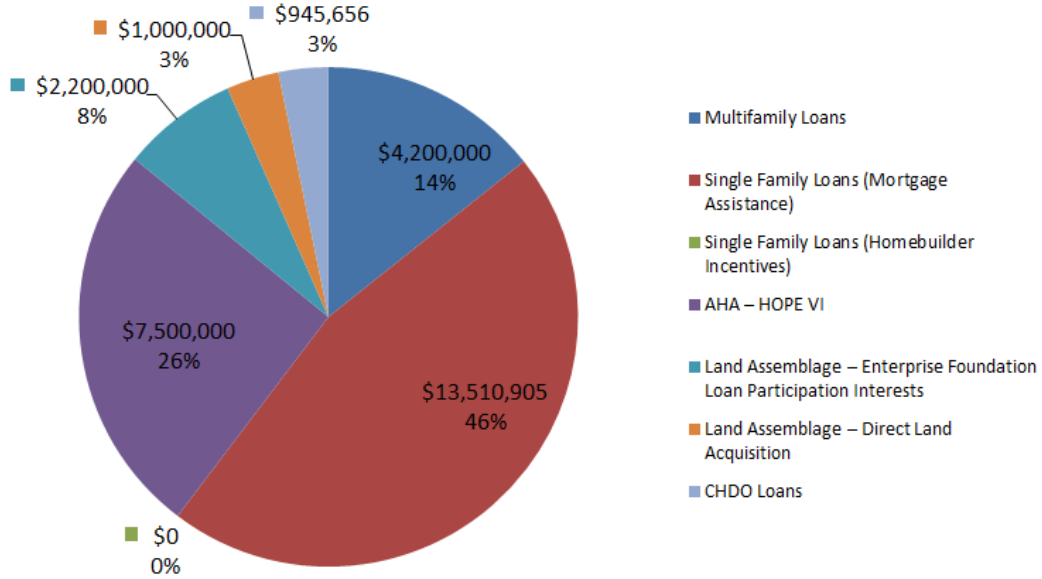
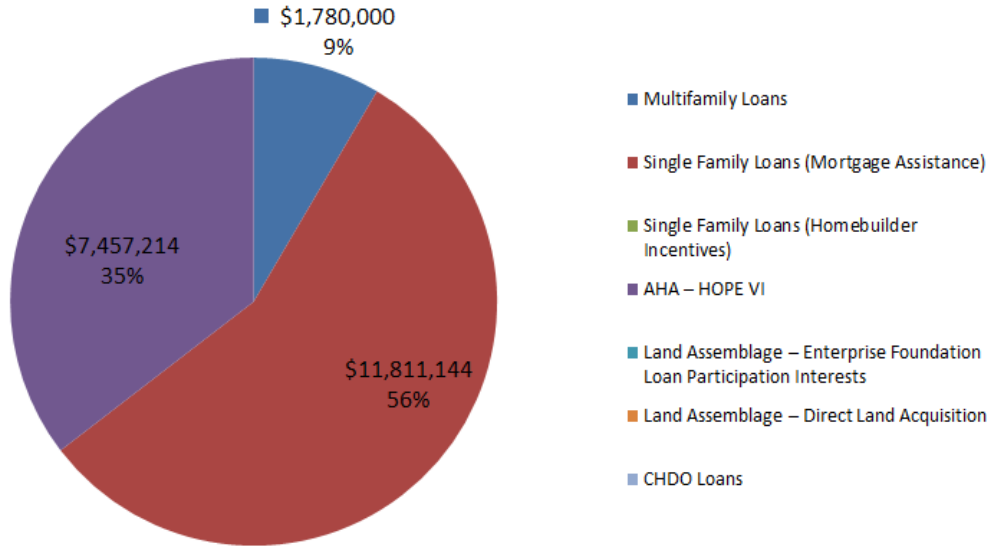
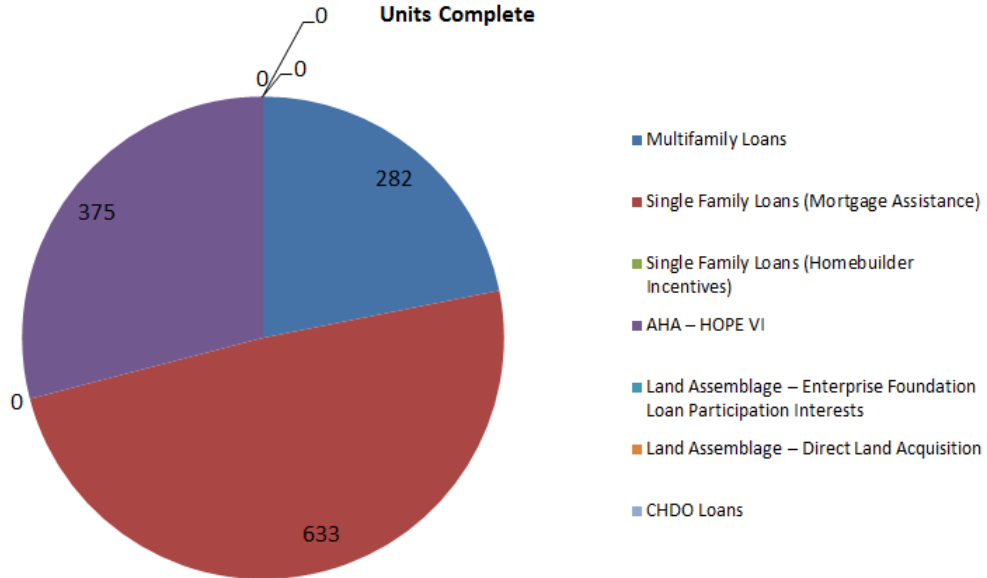


Figure 2 - Funds Expended



Units Complete



QUESTIONS:

1. In your opinion, was the first allocation of funds successful? Please explain in one or two sentences.
2. Please rate, from 1 (no consideration/emphasis) to 5 (highest priority) the following categories of spending priorities for a future bond distribution
 - a. Rental units for households below 30% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - b. Rental units for households between 30% and 50% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - c. Rental units for households between 50% and 80% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - d. Rental units for households between 80% and 120% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - e. Ownership units for households below 30% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - f. Ownership units for households between 30% and 50% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - g. Ownership units for households between 50% and 80% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - h. Ownership units for households between 80% and 120% AMI.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds

- i. Funding for foreclosure prevention.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - j. Funding for mitigation of negative impacts from vacant and foreclosed properties.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - k. Funding for relocation and other assistance for foreclosed homeowners.
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - l. Funding for the most cost-effective programs (maximum units per dollar of subsidy).
 - i. 1 : No consideration or funding should be allocated
 - ii. 2: Low priority, only a small portion of funding should be allocated
 - iii. 3: Average priority, this category should be funded; not at a high or low level
 - iv. 4: High priority, this category should be funded at a high level
 - v. 5: Highest priority, this category should receive the highest proportion of funds
 - m. Funding towards the programs which leverage the most private investment.
 - i. Strongly Agree
 - ii. Agree
 - iii. Neutral
 - iv. Disagree
 - v. Strongly Disagree
3. Please assign a percentage as to how the future allocation of funds should be divided. In addition to placing a percentage next to each program, please elaborate as to the decisions you made. If you believe other programs should be added, please assign a percentage to OTHER, and explain what that program is.
- a. ___ - Multifamily Loans – New Construction
 - b. ___ - Multifamily Loans – Rehab
 - c. ___ - Single Family Loans (Mortgage Assistance)
 - d. ___ - Single Family Loans (Down payment Assistance)
 - e. ___ - Single Family Builder Construction Financing (Acquisition)
 - f. ___ - Single Family Builder Construction Financing (Construction)
 - g. ___ - Single Family Builder Construction Financing (Rehabilitation)
 - h. ___ - Land Assemblage for future affordable housing sites (Financing for acquisition, demolition, and land clearance)
 - i. ___ - CHDO Loans (Financing part of the acquisition, construction, or renovation of housing)
 - j. ___ - Seed money for Transit Oriented Development
 - k. ___ - Foreclosure Prevention
 - l. ___ - Mitigation of negative impacts from vacant and foreclosed properties
 - m. ___ - Relocation and other assistance for foreclosed homeowners
 - n. ___ - OTHER
 - o. ___ - OTHER
 - p. ___ - OTHER

Annotated Outline

- I. Introduction of applied research paper and topics
 - a. Describe how I was introduced to the topic, and what the current issues are.
 - b. Much of this body will come from the Detailed Workplan and Bibliography
- II. Literature Review
 - a. The literature review is a summary of research on my two research topics.
- III. Data and Methodology
 - a. Describe the data and methodology of research I used to complete the paper.
- IV. Research Question No. 1 – Source of Fund
 - a. Describe current issue and need for affordable housing
 - b. Discuss case studies of other cities
 - c. Describe research design
 - d. Present findings from interviews
 - e. Analyze suggest sources
 - i. Linkage Fee
 - ii. Tax Increment Financing
 - iii. Etc.
 - f. Nexus Analysis
- V. Research Question No. 2 – New Priorities
 - a. Describe current issue
 - b. Discuss case studies of other cities
 - c. Describe research design
 - d. Present findings from interviews
 - e. Summarize and offer suggestions

Data Sources

1. *Interviews from national practitioners with knowledge of funding sources for local housing trust funds.*
2. *Interviews from local practitioners with knowledge of Atlanta's affordable housing needs.*
3. *Interview with David Rosen of David Paul Rosen & Associates*
4. *Housing Trust Fund Workbook from the Center for Community Change*
5. *Reports, research, articles etc.*

SURVEY 1 RESPONDENTS

Name	City	State	Organizations
Katherine Cooley	Citrus Heights	CA	City of Citrus Heights
Nicole	Citrus Heights	CA	City of Citrus Heights
Sarah Bontrager	Elk Grove	CA	City of Elk Grove
Pam Hennarty	Mammoth Lakes	CA	Mammoth Lakes Housing, Inc.
Jennifer Halferty	Mammoth Lakes	CA	Mammoth Lakes Housing, Inc.
Ruth Johnson Hopkins	Oxnard	CA	City of Oxnard's Affordable Housing and Rehabilitation Division
Sue Castellucci	Petaluma	CA	City of Petaluma
Lisa Luboff	Santa Monica	CA	City of Santa Monica Housing Division
Cheryl Shavers	Santa Monica	CA	City of Santa Monica Housing Authority
Allyne Winderman	West Hollywood	CA	City of West Hollywood
Jeff Yegian	Boulder	CO	City of Boulder
Kathy Fedler	Longmont	CO	City of Longmont, CDBG and Affordable Housing Office
Randy Irwin	Oskaloosa	IA	Oskaloosa Housing Trust Fund
Laura Russell	Oskaloosa	IA	City of Oskaloosa Housing Trust Fund
Cary Steinbuck	Chicago	IL	Chicago Low-Income Housing Trust Fund
Tracy Sanchez	Chicago	IL	City of Chicago - Department of Housing and Economic Development
Mary C. Smith	Highland Park	IL	City of Highland Park, IL
Donna Wiemann	Minneapolis	MN	City of Minneapolis
Nancy Hohmann	St. Louis	MO	Affordable Housing Commission of the City of St. Louis

Randy Stallings	Asheville	NC	City of Asheville
Zelleka Biermann	Charlotte	NC	City of Charlotte
Michelle Mapp	North Charleston	SC	Lowcountry Housing Trust
Rebecca Wade	Knoxville	TN	City of Knoxville, Community Development Department
David Potter	Austin	TX	City of Austin/Austin Housing Finance Corporation
Sandra Marler	Salt Lake City	UT	Salt Lake City Corporation
Eric Keeler	Alexandria	VA	Office of Housing
Brian Pine	Burlington	VT	Community & Economic Development Office
Ken Russell	Montpelier	VT	City of Montpelier Community Development Agency
Laura Hewitt Walker	Seattle	WA	City of Seattle, Office of Housing

SURVEY 2 RESPONDENTS

Name	Organizations
Ronald Lall	SouthStar CDC
Richelle (Shelly) Patton	Tapestry Development Group
Meaghan Vlkovic	Enterprise Community Partners
Jim Wehner	Charis Community Housing
Christy (Norwood) Taylor	Charis Community Housing
Frank Alexander	Emory
Dawn J. Luke	Atlanta Development Authority d/b/a Invest Atlanta
John O'Callaghan	ANDP
Ernestine Garey	Invest Atlanta
Dan Reuter	ARC
Deirdre Oakley	Georgia State University
Dan Immergluck	School of City and Regional Planning, Georgia Tech
Natalie Keiser	Keiser Consulting
Andy Schneggenburger	AHAND

AHAND DOCUMENT, SURVEYS, AND SURVEY RESULTS



HOUSING OPPORTUNITY FUND *ALTERNATIVE REVENUE SOURCES*

In 2007, the city of Atlanta approved a general obligation bond issuance to assist in the creation of workforce housing. Even in challenging economic times, the \$13.5 million in allocated funds has leveraged more than *\$94.4million in private money and created over 1,200 units in quality workforce housing.*

In the past the general fund was the only source for the Housing Opportunity Fund, but this is proving to be an unreliable solution. To become a sustainable tool in incentivizing workforce housing in Atlanta, it is necessary to identify alternative revenue sources. This report explores the housing needs in Atlanta, similar issues across the country, and offers suggestions for reviving the Housing Opportunity Fund

This document was completed by Michael Hellier to assist The Atlanta Housing Association of Neighborhood-based Developers with their decisions regarding Atlanta's Housing Opportunity Fund. This document is also a part of an applied research paper for the Master of City and Regional Planning program at the Georgia Institute of Technology, under the guidance and supervision of Professor Dan Immergluck.

I want to thank all who took the survey, as well as the following people for their assistance.

Professor Dan Immergluck

Richelle Patton

Tracy Powell

David Rosen

Andy Schneggenburger

ATLANTA'S HOUSING NEEDS

HOMELESSNESS

On January 25 2011, a homeless census was completed. These were some of the results.

6,000 HOMELESS PEOPLE

Nearly *6,000 homeless people* were counted in the city of Atlanta during the 2011 homeless census.

1 OUT OF 3 WERE IN UNSHELTERED LOCATIONS

1 out of 3 homeless people counted that night were in *unsheltered locations*.

Source : The 2011 Metro Atlanta Tri-Jurisdictional Collaborative Continuum of Care Homeless Census

AFFORDABILITY

Housing affordability continues to be a real problem for the city of Atlanta.

47% CANNOT AFFORD A TWO-BEDROOM UNIT

47% of renter households in the Atlanta-Sandy Springs-Marietta HMFA do not earn sufficient income to afford a two-bedroom unit at Fair Market Rent.

1 OUT OF 4 PAY 50%+ OF INCOME TO HOUSING

26.4% of *renters* in the city of Atlanta pay *50% or more of their household income to housing*. This is higher than Charlotte, Raleigh, Nashville, Dallas, Houston, the South Region, Georgia, and the United States.

Source : Out of Reach—National Low Income Housing Coalition; and Social Explorer; U.S. Census Bureau ACS 2006 to 2010 (5-year estimates)

POVERTY AND INCOME

Poverty is rising, income is falling, and Atlanta trails the county in economic recovery.

INCOME DECLINED BY 20.7% SINCE 2000

Real median household income *declined by 20.7%* since from 2000 to 2010.

40.7% OF CITIZENS ARE DEEMED POOR OR STRUGGLING

The U.S. Census Bureau considers any person earning less than twice the poverty level to be poor *or struggling*. This is higher than Charlotte, Raleigh, Nashville, the South Region, Georgia, and the United States.

Source : Out of Reach—Social Explorer; U.S. Census Bureau ACS 2006 to 2010 (5-year estimates), 2000 Census, 2010 Census

THE HOUSING OPPORTUNITY FUNDS' IMPACT

HOF: AN IMPORTANT TOOL



AHA Allocation

Funds were provided as gap financing for public infrastructure improvements at the Ashley at Collegetown development in the West End neighborhood. This is a redevelopment of the public housing formerly known as Harris Homes.



CHDO Allocation

The Housing Opportunity Fund proved to be an important resource for Community Housing Development Organizations. For example, University Community Development Corporation used the funding for major rehabilitation of two single-family homes in the Ashview Heights and West End neighborhoods.



Multifamily Loan Allocation

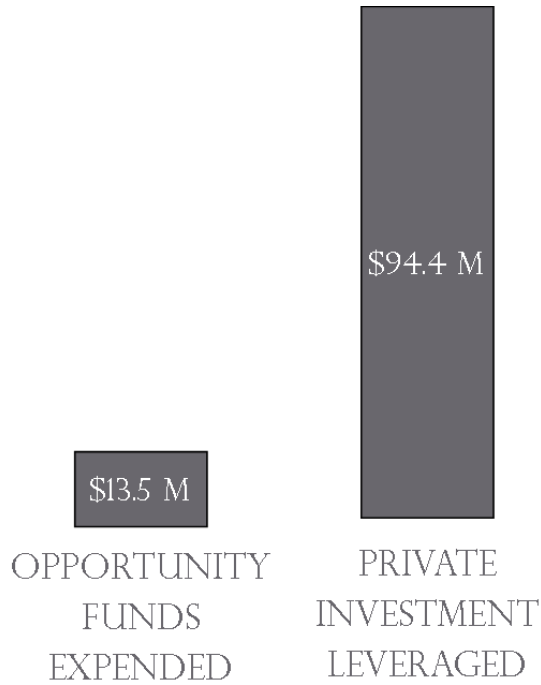
Various multi-family developments have received funding from the Housing Opportunity Fund, including the Adamsville Green Senior development, and the Amal Heights Apartments.



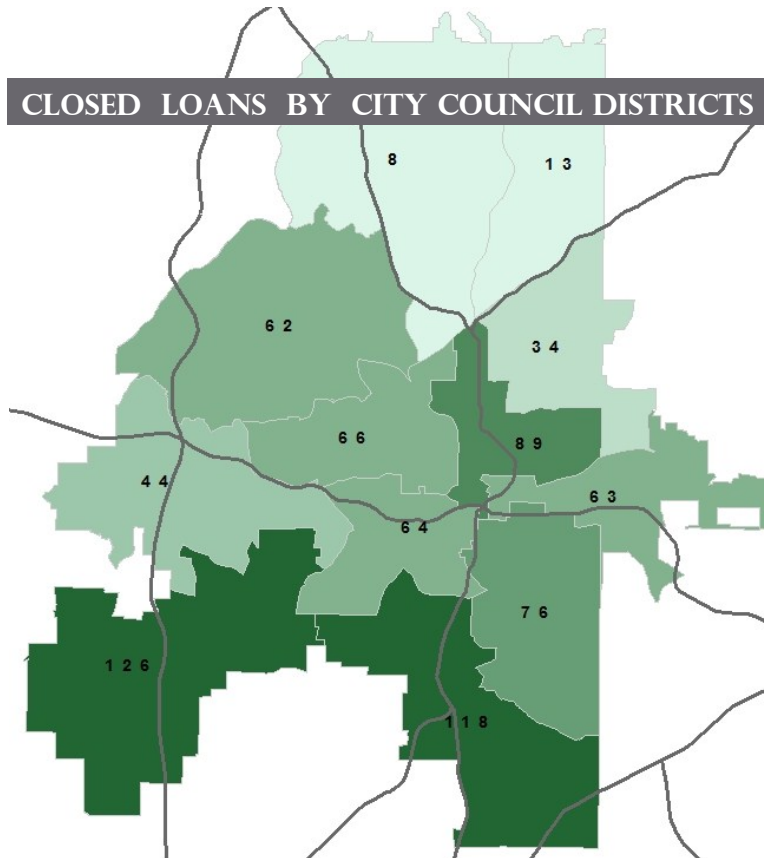
Single-Family Home Loan Allocation

The Housing Opportunity Fund provided mortgages and down payment assistance. This program was an important resource for homebuyers in the city of Atlanta.

THE FOLLOWING GRAPHS DISPLAY THE IMPACT OF THE HOUSING OPPORTUNITY FUND THUS FAR



OVER 1,200
UNITS
CREATED



SURVEY OF 30
HOUSING TRUST
FUND
PRACTITIONERS

RESULTS OF SURVEY

At the end of 2011 a survey was conducted asking various questions about affordable housing trust funds to practitioners throughout the United States. A list of these practitioners are included in the addendum. The responses, input, and opinions received has informed the research and recommendations.

Atlanta's current situation is not unique. Cities throughout the United States are having to make difficult decisions about what services they can provide, and too often affordable housing programs are targets for funding cuts. This can be seen in a recent court ruling in California, which affirmed that the state could close over 400 redevelopment authorities in an effort to close the state's budget gap. These redevelopment authorities were critical in building and preserving affordable housing.

With events similar to this occurring across the country, it is unsurprising that respondents to the survey overwhelmingly indicated that it is more difficult to raise funds for affordable housing in 2011 than it was in 2006. Forty eight percent felt that it has been a harder time, and thirty five percent felt that it has been a much harder time.

According to a 2011 survey of 1,055 cities completed by the National League of Cities, property taxes have fallen by 3.7 percent since 2010. Unfortunately, cities will continue to experience declining property taxes through 2013 as assessments follow the market (Pagano, 2011). This is particularly harmful for affordable housing efforts that receive funding based off of development activity, which many housing trust funds do. Furthermore, local governments are competing for the little development that is taking place by decreasing, deferring, or eliminating fees, which has historically funded affordable housing efforts. Unstable consumer confidence, rising unemployment, and declining incomes have also resulted in falling tax receipts. This trend can be seen in this survey as well. When asked the reason for increased difficulty in raising funds for affordable housing, 48% stated declining revenues, 33% stated the political climate, and 19% stated rising expenses.

Table 3 is a compilation of other responses given by the respondents. These are not as impactful as declining revenue, rising expenses, and the political climate, but still contribute to the increased difficulty as well.

Figure 1 - Raising Funds for Affordable Housing Comparing 2011 to 2006

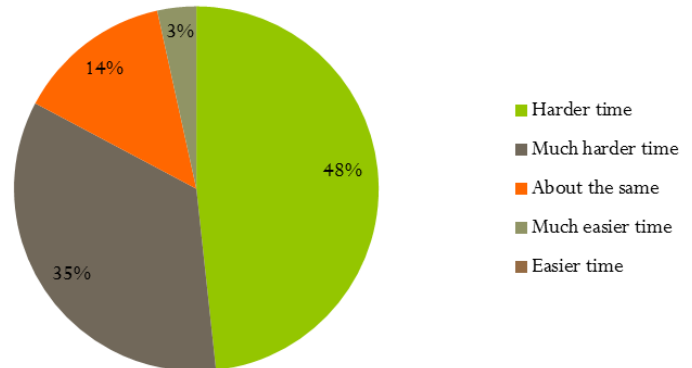


Figure 2 - Reason for Increased Difficulty

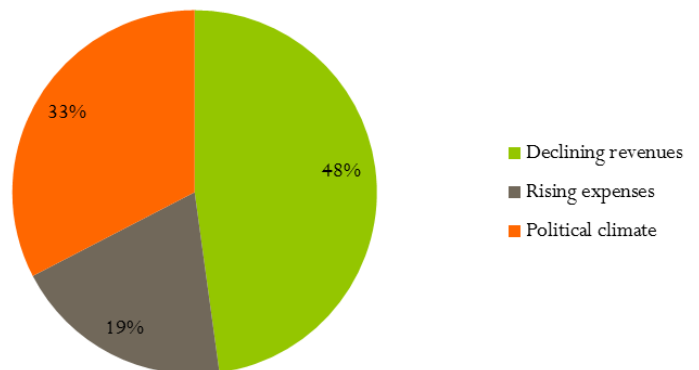


Table 3 - Other reasons for increased difficulty

- *Lack of administrative funding to administer programs*
- *Federal policies disallowing new rental vouchers*
- *Increasing competition and restrictions for funds*
- *Increased need for affordable housing*
- *Private sector is having a difficult time securing debt*

Figure 3

RESULTS OF SURVEY, CONT'D

NUMBER OF SOURCES TO TARGET

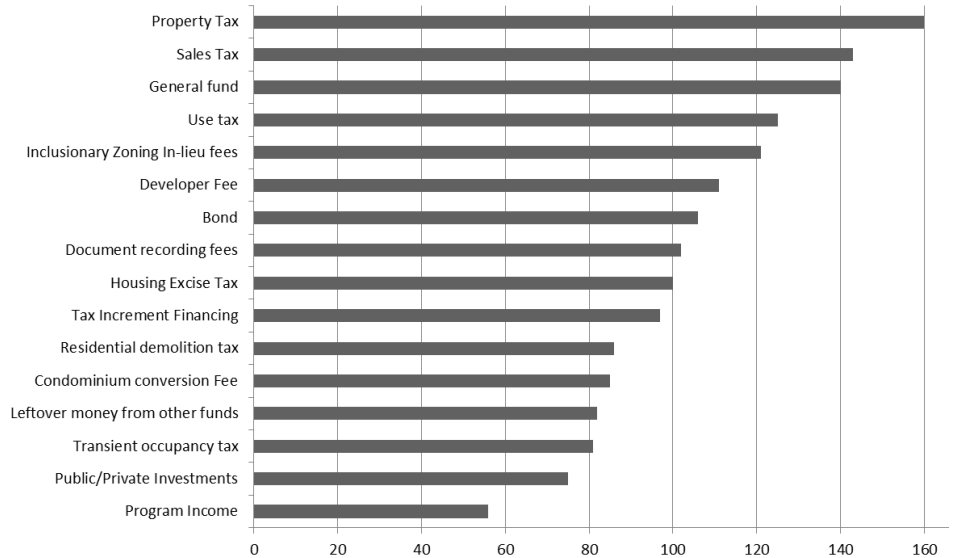
Respondents to the survey identified a number of things to consider when pursuing potential revenue sources. The first is to target a large and diverse group of sources to mitigate the risks of losing one or two. The current economic times are making this more and more apparent. It is also easier to secure smaller amounts of funds from a variety of sources, rather than large amounts of funds from a few. Conversely, some respondents felt that limiting the amount of sources targeted is a wise decision. First of all, it limits the amount of opponents to the trust fund, assuming the industry targeted as a revenue source opposes it. Furthermore, respondents felt that trying to coordinate a large amount of sources can become confusing, complicated, and sometimes counterproductive.

The majority of respondents felt that targeting 3-4 sources provided the right balance. However, it is apparent that each city will have a somewhat unique experience when it comes to identifying revenue sources.

SOURCES WITH THE GREATEST OPPOSITION

Respondents were asked to rate a list of revenue sources in terms of opposition. 1 meaning no opposition, and 10 meaning insurmountable opposition. The steps used to calculate each sources score is shown below the figure. Clearly respondents feel that attempting to use a property or sales tax would be extremely difficult, especially in the current economic times. It is interesting to note that property tax and sales tax both had four respondents choose insurmountable opposition, and the general fund, use tax, and inclusionary zoning in-lieu fees each had two.

Figure 4 - Sources With the Greatest Opposition



Example—Property Tax

Weight	1 - No	2	3	4	5	6	7	8	9	10 - Insurmountable	
Number of Respondents	0	0	1	0	1	2	3	2	7	4	
	(1 x 0)	+(2 x 0)	+(3x 1)	+(4 x 0)	+(5x 1)	+(6 x 2)	+(7 x 3)	+(8 x 2)	+(9 x 7)	+(10 x 4)	=160

RECOMMENDATIONS

ATLANTA'S OPTIONS

The city of Atlanta needs to decide what revenue sources to use for the Housing Opportunity Fund. As discussed earlier, the city of Atlanta will not continue to service the debt for another general obligation bond (GO Bond) issuance. With this knowledge, there are two general alternatives to take.

OPTION 1: Identify sources to service the GO Bond debt service

The city of Atlanta can decide to utilize general obligation bonds to fund the Housing Opportunity Fund. This would allow the trust fund to be adequately filled in the early stages, but require debt service to be paid back over the life of the bonds. Since the debt service will be a consistent figure, it is necessary that the revenue sources used to pay it be consistent as well. This requirement limits what revenue sources can be used. A suitable amount of consistency is provided if a property tax, sales tax, or the general fund is used, but the other sources have the potential for such high annual variation that it may be difficult support a general obligation bond issuance. The following table displays what revenue sources are capable, or may be capable, for servicing the debt.

General Fund	Yes
Property Tax	Yes
Sales Tax	Yes
TIF/TAD	Yes
Transient Occupancy Tax	Possibly
Document Recording Fee	Possibly
Developer Fee	Possibly
Inclusionary Zoning In-lieu Fees	Unlikely

OPTION 2: Identify revenue sources without using a GO Bond Issuance

The other option available is raise funds without using a general obligation bond issuance. There are many reasons for doing this. The uncertain nature of the current bond market, the lack of debt service options, and the necessity to advocate for another bond issuance every few years. Choosing a different method to fund the trust fund provides greater stability and flexibility that increases the chance of sustainability. However, the annual funds available will be much lower. The revenue sources available using this method will still be limited due to a number of factors, but not as limited as the above option.

The following pages will go over each option and the revenue sources involved. Then suggestions will be made as to what option to choose and what revenue sources to pursue. Revenue projections will be estimated using available data.

OPTION 1: IDENTIFY SOURCES TO SERVICE THE GO BOND DEBT SERVICE

	GO Bond Supportable?	Political Viability in Atlanta	Year to Year Stability	Funding Potential
General Fund	Yes	Prohibitive: The city of Atlanta has made it clear that they will not use the general fund for debt servicing.	N/A	N/A
Property Tax	Yes	Highly Unlikely: The survey respondents rated a property tax as the revenue source with the most opposition.	High: Year to year changes in property tax receipts are relatively low.	Very High: The potential annual amount is very high when compared to other sources.
Sales Tax	Yes	Highly Unlikely: The survey respondents rated a sales tax as the revenue source with the second most opposition.	High: Year to year changes in sales tax receipts are relatively low.	High: The potential annual amount is high when compared to other sources.
TIF/TAD	Yes	Probable: Atlanta has a successful history using Tax Allocation Districts.	Low: Revenue from Atlanta's current TAD's have seen large annual variations	High: The potential amount in a good year is high.
Document Recording Fee	Possibly	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	Low: Revenue projections using typical revenue using typical recording fees are relatively low.
Developer/ Linkage Fee	Possibly	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	High: The projected revenue from this source has the potential to be substantial.
Inclusionary Zoning In-lieu Fees	Unlikely	Prohibitive: The city of Atlanta has explored this method before, but talks ended due to immense opposition and the most recent economic recession.	N/A	N/A

OPTION 2: IDENTIFY REVENUE SOURCES WITHOUT USING A GO BOND

	Political Viability in Atlanta	Year to Year Stability	Funding Potential
General Fund	Prohibitive: The city of Atlanta has made it clear that they will not use the general fund.	N/A	N/A
Property Tax	Highly Unlikely: The survey respondents rated a property tax as the revenue source with the most opposition.	High: Year to year changes in property tax receipts are relatively low.	Very High: The potential annual amount is very high when compared to other sources.
Sales Tax	Highly Unlikely: The survey respondents rated a sales tax as the revenue source with the second most opposition.	High: Year to year changes in sales tax receipts are relatively low.	High: The potential annual amount is high when compared to other sources.
TIF/TAD	Probable: Atlanta has a successful history using Tax Allocation Districts.	Low: Revenue from Atlanta's current TAD's have seen large annual variations	High: The potential amount in a good year is high.
Document Recording Fee	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	Low: Revenue Projections using typical recording fees are relatively low.
Developer Fee	Possible: This is not an impossible source to acquire, but it will invite opposition from the business community.	Low: Real estate market variations have been high in recent years.	High: The projected revenue from this source has the potential to be substantial.
Inclusionary Zoning In-lieu Fees	Prohibitive: The city of Atlanta has explored this method before, but talks ended due to immense opposition and the most recent economic recession.	N/A	N/A
Public/Private Investment	Possible: There would be nothing to prohibit this revenue source, but it is difficult to rely on.	Low: Annual variation will likely be high due to the uncertain nature of philanthropic funds.	Low: Potential funding from this source will likely be relatively low.
Leftover Money From Other Funds	Unlikely: It is unlikely that affordable housing efforts would have priority for these funds in Atlanta.	Low: High variation and uncertainty.	Low: If these funds are secured, they will likely be relatively minor.
Program Income	Very Likely: Income generated from the trust fund is desired by the city	Low: Program income will fluctuate due to the nature of the financial mechanisms	Low: Program income will be low, if existent at all
Condominium Conversion Fee	Very Unlikely: In 2009 there was one condominium conversion permit in the city of Atlanta. In 2008 there were three, and in 2007 there were three. It is unlikely activity will pick up in the near future.	Low: Condominium conversions in the past decade were extremely volatile year to year. In absolute terms, year to year change averaged 90 percent.	Low: Fees exacted from condominium conversions would be negligible for the foreseeable future.

ANALYSIS AND PROJECTIONS
FOR
RECORDING FEES, LINKAGE FEES,
AND TIF/TAD

REAL ESTATE DOCUMENT/RECORDING FEE

Description	A fee charged on real estate documents recorded. It can be based on property value, a flat fee, or based on pages recorded.
Range of Assessments	Many jurisdictions use recording fees, and the exaction percentage varies. This analysis utilizes a range of assessments from .025% to .1%
Who is Burdened?	Grantors of real property will be burdened by this fee.
Bond Repayment Viability	Possible

Projecting revenue for this source is more straightforward relative to linkage fees and tax increment financing. It is generally a percentage of the consideration, or sale price, for each transaction. Some jurisdictions limit what types of transactions are subject to this transaction by location, amount of consideration, and use.

Figure 5 displays the total amount of considerations for transactions in the city of Atlanta from 2005 to 2010. The volatile nature of this source can be seen, especially when looking at data from 2005 to 2010.

Table 7 below is an attempt to project revenue based on historical sale figures and a range of assessments from .025% to .1%. *It is important to understand that these numbers are based off the top and bottom of the past real estate cycle.*

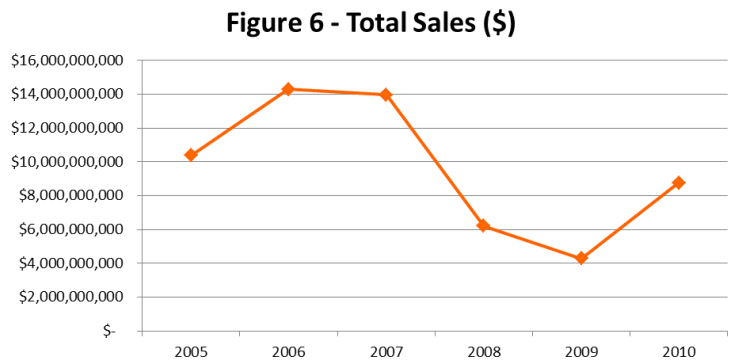


Table 7 - Recording Fee Sensitivity Analysis

	Total Sales	0.025%	0.05%	0.075%	0.10%
2005	\$10,370,235,650	\$2,592,559	\$5,185,118	\$7,777,677	\$10,370,236
2006	\$14,288,131,823	\$3,572,033	\$7,144,066	\$10,716,099	\$14,288,132
2007	\$13,953,647,674	\$3,488,412	\$6,976,824	\$10,465,236	\$13,953,648
2008	\$6,199,917,782	\$1,549,979	\$3,099,959	\$4,649,938	\$6,199,918
2009	\$4,289,894,755	\$1,072,474	\$2,144,947	\$3,217,421	\$4,289,895
2010	\$8,762,661,647	\$2,190,665	\$4,381,331	\$6,571,996	\$8,762,662

HIGH

\$14.28 MILLION

LOW

\$1.07 MILLION

AVERAGE

\$6.02 MILLION

LINKAGE FEE

Description	When a municipality requires a developer to pay a fee to compensate the government for the increase in services needed for the proposed development. Linkage fees can be a great tool for communities to fund affordable housing efforts, and a majority of other trust funds use this as a major source of funding.
Current Use in Atlanta	Building permits are currently assessed at the rate of \$5.00 per \$1,000 of total construction value with a minimum fee of \$50. A building permit is required “to construct, erect, demolish, install, alter or repair...any building, structure, equipment, appliances or system...”
Examples	Boston, MA — \$5.00 per square foot San Francisco, CA —\$7.05 per square foot Sacramento, CA —Range from \$.27 to \$.99 per square foot according to use Berkeley, CA —\$2.00 to \$4.00 per square foot according to use San Diego, CA —\$.26 to \$1.06 per square foot according to use Cambridge, MA —\$3.00 per square foot
Who is Burdened?	Can be viewed as a hindrance to commercial development.
Legal	Requires a vote
Bond Repayment Viability	Possible

Figure 6 displays the potential revenue projections from 2004 to 2009 if a linkage fee were used. The fees assigned to each property use are based on San Diego and Sacramento. It is important to not that this is a very rough estimate, *and that these numbers are based off the top and bottom of the past real estate cycle*. The following assumptions explain how these figures were reached.

- Permitting data with construction cost of the work done was obtained, but not the square footage of the work done. Thus, to estimate the square footage the following construction costs were assumed. Office—\$150/sf ; Hotel—\$150/sf ; Commercial—\$90/sf ; Industrial—\$50/sf. There is obvious problems with these assumptions, including quality of building and costs changing over time, but to estimate revenue projections it is necessary to have the size of the permits.
- Commercial uses include mercantile buildings, restaurants, businesses, and gas stations
- Industrial uses include warehouses, office/warehouses, and industrial. The permitting department does not categorize manufacturing buildings by itself, which will have a higher construction cost.
- The fee schedule assumed is as follows: Office—\$1.06/sf ; Hotel—\$.60/sf ; Commercial—\$.79/sf ; Industrial—\$.26/sf

HIGH

\$40.60MILLION

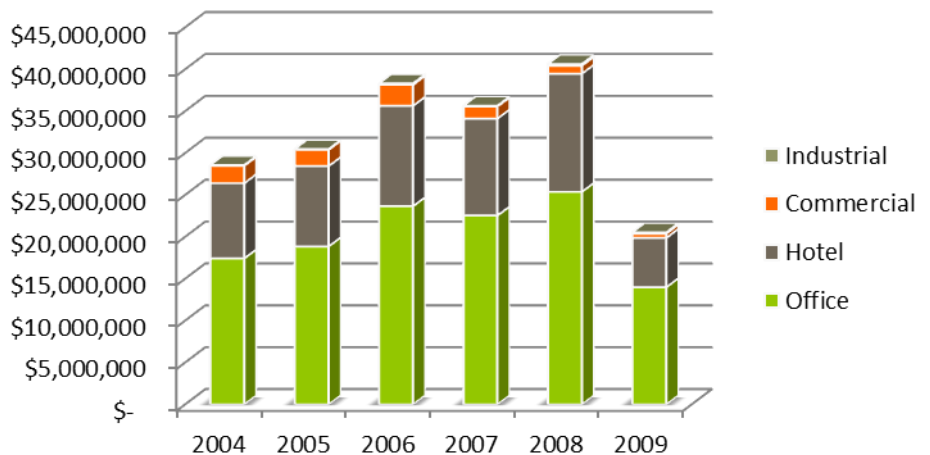
LOW

\$20.51MILLION

AVERAGE

\$32.33 MILLION

Figure 7 - Potential Revenue for Linkage Fee



TAX ALLOCATION DISTRICTS / TAX INCREMENT FINANCING

Description	When a Tax Allocation District is established, the amount of property tax revenue is recorded based on the assessment prior to any development. A municipality then makes capital improvements, or subsidizes a developer to do so. The base amount continues to be used to fund city services, but any increase due to rising property values would be captured for the Housing Opportunity Fund.
Current Use and History in Atlanta	There are currently 10 TAD's in Atlanta.
Examples	Atlantic Station; BeltLine; Campbellton Road; Eastside; Hollowell/ML King; Metropolitan Parkway; Perry-Bolton; Princeton Lakes; Stadium Area; Westside
Range of Assessments	Varies from project to project
Who is Burdened?	Varies from project to project
Legal	Approval to establish a TAD must be obtained from all governments with tax authority within the district (City, County, and school) in order to use all portions of property tax revenues.
Considerations/Fairness	Delays tax revenue to taxing entities for a period of time. Bond market is weak, thus new TAD's will be rare in the short term.
Bond Repayment Viability	High

Due to the nature of Tax Increment Financing/Tax Allocation Districts, it is difficult to project the potential revenue for this source. Figure 7 however displays the total source balance for Atlanta TAD's from 2004 to 2010. This is the total remaining funds from all TAD's at the end of each year

Any revenue obtained from this source for the Housing Opportunity Fund would most likely be required to be allocated back into the same tax allocation district.

Figure 8 - Annual Source Balance



RECOMMENDATIONS TO
ADVOCATES OF THE HOUSING
OPPORTUNITY FUND

REVENUE SOURCE OPTIONS

Due to the general obligation bond method's inflexibility and instability, it is recommended to target revenue sources that can feed into the Housing Opportunity Fund on an annual basis. This will allow longevity for the fund, which it currently does not have. As of now, the City must agree to issue and pay the debt service on general obligation bonds each time the fund runs out, and it's apparent now that this is not sustainable.

Through the research and surveys completed, the city should begin targeting linkage fees, document recording fees, and funds from tax increment financing/tax allocation districts. These sources have relatively high viability in Atlanta, sustainability, and potential magnitude. As discussed earlier it is recommended to target 3 to 4 sources. This will provide a diverse base that will increase the probability for a sustainable trust fund.

Other sources to target include program income, leftover funds from other programs, and philanthropic funds.

OTHER THINGS TO CONSIDER

- Identify potential revenue sources that may not be apparent as of now. The discussions for the new Atlanta Falcons football stadium may present an opportunity. The surrounding community should have a seat at the table in the negotiations for this proposal, and it may be useful to leverage this. If they are not doing so already, they might develop a community benefits agreement (CBA). This agreement could include provisions for the developers of the stadium to invest in the Housing Opportunity Fund.
- Invite the business community into the conversation early in the process. This way they can be a part of the research and understand the needs of the community. It also creates a diverse coalition, which can help in overcoming strong opposition.
- Convey that this is a vital service for the community, and utilize personal stories so people can see beyond the numbers and policies.
- Involve low-income communities, schools, non-profit organizations, community advocacy groups, and religious institutions. These groups will be strong advocates for the cause.
- Control the conversation so it is understood as adding a value to the community.
- Link affordable housing to economic growth. Research shows that the increase of affordable housing in an area results in increases investment and spending in the region, provides revenue for local governments, and lowers the probability of foreclosures (Center for Housing Policy 2011)

ADDENDUM

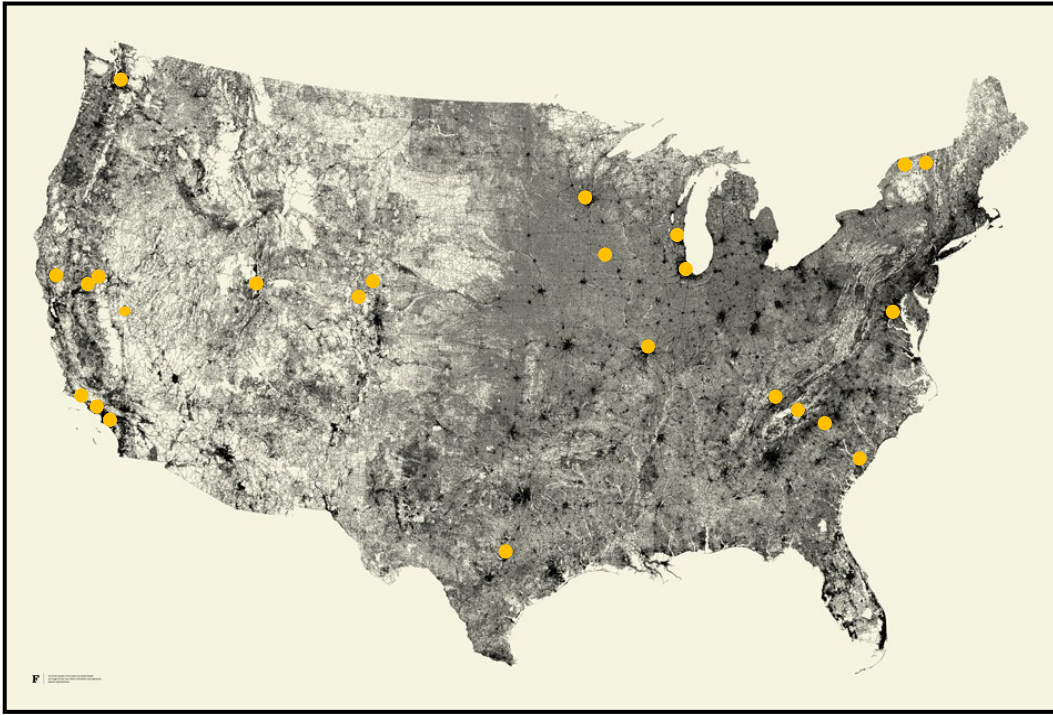
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Pagano, M (2011). City Fiscal Conditions in 2011. In National League of Cities (Ed.), Research Brief on America's Cities.

DEBT SERVICE					
Urban Residential Finance Authority of COA (CU_URFA)					
Housing Opportunity Program-Taxable Revenue Bonds (2007A)					
As of Apr 11, 2007 through Maturity					
Period	Principal	Coupon	Interest	Debt Service	Annual Debt
Ending					Service
1-Dec-07	625,000	5.07%	1,290,616	1,915,616	1,915,616
1-Jun-08			952,125	952,125	
1-Dec-08	990,000	5.07%	952,125	1,942,125	2,894,249
1-Jun-09			927,038	927,038	
1-Dec-09	1,040,000	5.07%	927,038	1,967,038	2,894,076
1-Jun-10			900,684	900,684	
1-Dec-10	1,095,000	5.07%	900,684	1,995,684	2,896,369
1-Jun-11			872,937	872,937	
1-Dec-11	1,150,000	5.07%	872,937	2,022,937	2,895,874
1-Jun-12			843,796	843,796	
1-Dec-12	1,210,000	5.14%	843,796	2,053,796	2,897,592
1-Jun-13			812,711	812,711	
1-Dec-13	1,275,000	5.18%	812,711	2,087,711	2,900,423
1-Jun-14			779,702	779,702	
1-Dec-14	1,345,000	5.24%	779,702	2,124,702	2,904,403
1-Jun-15			744,476	744,476	
1-Dec-15	1,415,000	5.28%	744,476	2,159,476	2,903,952
1-Jun-16			707,134	707,134	
1-Dec-16	1,490,000	5.32%	707,134	2,197,134	2,904,268
1-Jun-17			667,515	667,515	
1-Dec-17	1,575,000	5.35%	667,515	2,242,515	2,910,030
1-Jun-18			625,400	625,400	
1-Dec-18	1,665,000	5.66%	625,400	2,290,400	2,915,799
1-Jun-19			578,297	578,297	
1-Dec-19	1,760,000	5.66%	578,297	2,338,297	2,916,593
1-Jun-20			528,506	528,506	
1-Dec-20	1,865,000	5.66%	528,506	2,393,506	2,922,013
1-Jun-21			475,745	475,745	
1-Dec-21	1,970,000	5.66%	475,745	2,445,745	2,921,491
1-Jun-22			420,014	420,014	
1-Dec-22	2,085,000	5.66%	420,014	2,505,014	2,925,028
1-Jun-23			361,029	361,029	
1-Dec-23	2,210,000	5.80%	361,029	2,571,029	2,932,059
1-Jun-24			296,917	296,917	
1-Dec-24	2,340,000	5.80%	296,917	2,636,917	2,933,835
1-Jun-25			229,034	229,034	
1-Dec-25	2,480,000	5.80%	229,034	2,709,034	2,938,068
1-Jun-26			157,089	157,089	
1-Dec-26	2,630,000	5.80%	157,089	2,787,089	2,944,178
1-Jun-27			80,793	80,793	
1-Dec-27	2,785,000	5.80%	80,793	2,865,793	2,946,586
TOTAL	35,000,000		25,212,502	60,212,502	60,212,502

RESPONDENTS



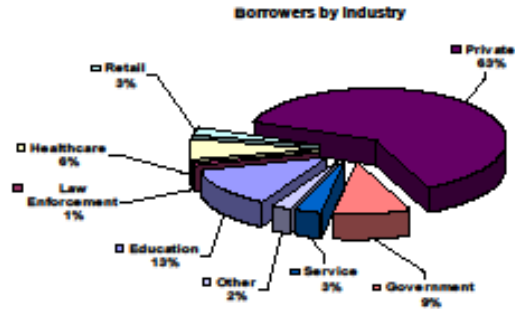
Name	City	State	Organizations
Katherine Cooley	Citrus Heights	CA	City of Citrus Heights
Nicole	Citrus Heights	CA	City of Citrus Heights
Sarah Bontrager	Elk Grove	CA	City of Elk Grove
Pam Hennarty	Mammoth Lakes	CA	Mammoth Lakes Housing, Inc.
Jennifer Halferty	Mammoth Lakes	CA	Mammoth Lakes Housing, Inc.
Ruth Johnson Hopkins	Oxnard	CA	City of Oxnard's Affordable Housing and Rehabilitation Division
Sue Castellucci	Petaluma	CA	City of Petaluma
Lisa Luboff	Santa Monica	CA	City of Santa Monica Housing Division
Cheryl Shavers	Santa Monica	CA	City of Santa Monica Housing Authority
Allyne Winderman	West Hollywood	CA	City of West Hollywood
Jeff Yegian	Boulder	CO	City of Boulder
Kathy Fedler	Longmont	CO	City of Longmont, CDBG and Affordable Housing Office
Randy Irwin	Oskaloosa	IA	Oskaloosa Housing Trust Fund
Laura Russell	Oskaloosa	IA	City of Oskaloosa Housing Trust Fund
Cary Steinbuck	Chicago	IL	Chicago Low-Income Housing Trust Fund
Tracy Sanchez	Chicago	IL	City of Chicago - Department of Housing and Economic Development
Mary C. Smith	Highland Park	IL	City of Highland Park, IL
Donna Wiemann	Minneapolis	MN	City of Minneapolis
Nancy Hohmann	St. Louis	MO	Affordable Housing Commission of the City of St. Louis
Randy Stallings	Asheville	NC	City of Asheville
Zelleka Biermann	Charlotte	NC	City of Charlotte
Michelle Mapp	North Charleston	SC	Lowcountry Housing Trust
Rebecca Wade	Knoxville	TN	City of Knoxville, Community Development Department
David Potter	Austin	TX	City of Austin/Austin Housing Finance Corporation
Sandra Marler	Salt Lake City	UT	Salt Lake City Corporation
Eric Keeler	Alexandria	VA	Office of Housing
Brian Pine	Burlington	VT	Community & Economic Development Office
Ken Russell	Montpelier	VT	City of Montpelier Community Development Agency
Laura Hewitt Walker	Seattle	WA	City of Seattle, Office of Housing

PROGRAM PROFILE

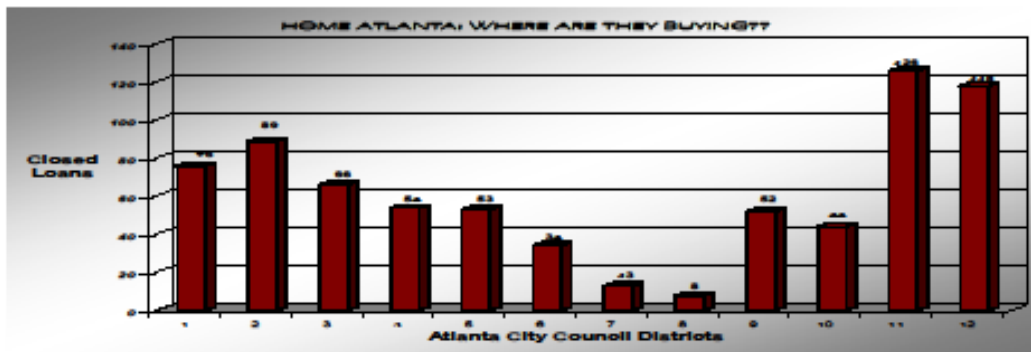
THE FACTS

Closed Loans – New Construction	232
Closed Loans – Existing	526
Opportunity Funds Expended	\$13,501,706
Private Investment Leveraged	\$94,472,130
Average Family Income	\$46,555
Average Family Size	1.5
Average Sales Price	\$148,564

WHERE THEY WORK



THE DISTRICTS



HOW MUCH THEY EARN

HOME Atlanta borrowers by Area Median Income	
30% AMI (\$21,500 & Below) = 21	50% AMI (\$21,501-\$35,850) = 136
60% AMI (\$35,851-\$43,020) = 157	80% AMI (\$43,021-\$57,350) = 271
100% AMI (\$57,351-\$71,700) = 153	115% AMI (\$71,701-\$82,455) = 20

PAGE 1

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The city of Atlanta is currently exploring alternative funding sources for their Housing Opportunity Fund. In the past the general fund served as the only source for the fund, but the city wants to explore other alternatives for the future. My research paper includes providing suggestions for alternative funding sources, and to do this I am surveying practitioners from cities across the United States. A more detailed description of the current state of Atlanta’s Housing Opportunity Fund is contained within the email.

This survey will only take 5 to 10 minutes.

Thank you for participating.

Upgrade to Add More Questions

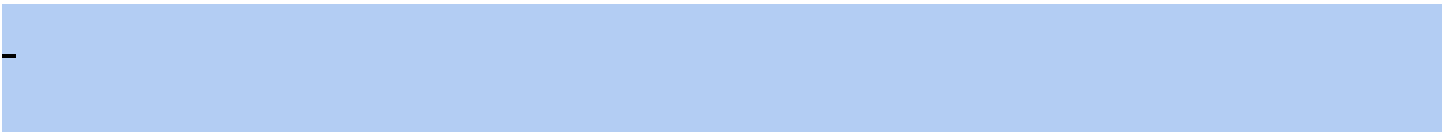
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Q1

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1. Name

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Q2

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2. City, State

Upgrade to Add More Questions

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Q3

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3. Name of Organization

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Funding Challenges

Upgrade to Add More Questions

Q4

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4. Are local governments in your area having MORE difficulty raising funds for affordable housing currently than they did 5 years ago? Please indicate 1 to 5 (1 meaning “much easier time” and 5 meaning “much harder time”).

- 1 : Much easier time
- 2 : Easier time
- 3 : About the same
- 4 : Harder time

5 : Much harder time

Comment

[Upgrade to Add More Questions](#)

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Q5

[Edit Question](#) ▼

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5. If yes, then why? Please choose one or more.

- Declining revenues
- Rising expenses
- Political climate

Other/Comment

[Upgrade to Add More Questions](#)

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Examples of Success in Today's Climate

[Upgrade to Add More Questions](#)

Q6

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6. Are you aware of any local governments facing a problem funding affordable housing in today's economy, but still able to find creative funding sources?

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Q7

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7. If so, what funding sources were used? Please choose one or more from the following list:

- | | | |
|---|---|--|
| <input type="checkbox"/> Developer Fee | <input type="checkbox"/> Tax Increment Financing | <input type="checkbox"/> Leftover money from other funds |
| <input type="checkbox"/> General fund | <input type="checkbox"/> Public/Private Investments | <input type="checkbox"/> Residential demolition tax |
| <input type="checkbox"/> Inclusionary Zoning In-lieu fees | <input type="checkbox"/> Transient occupancy tax | <input type="checkbox"/> Sales Tax |
| <input type="checkbox"/> Program Income | <input type="checkbox"/> Condominium conversion Fee | <input type="checkbox"/> Use tax |
| <input type="checkbox"/> Property Tax | <input type="checkbox"/> Document recording fees | |
| <input type="checkbox"/> Bond | <input type="checkbox"/> Housing Excise Tax | |

Other/Comment

[Upgrade to Add More Questions](#)

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Q8

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8. How difficult was it to secure this source of funding? Would you recommend it to other municipalities?

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Q9

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9. Are you aware of a similar example, not limited to housing? For example storm water, transportation, parks etc.

[Upgrade to Add More Questions](#)

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PAGE 5

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Best Sources for Funding Affordable Housing

[Upgrade to Add More Questions](#)

Q10

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*

10. What funding sources do you believe are the best for funding affordable housing in this climate?

- Developer Fee
- General fund
- Inclusionary Zoning In-lieu fees
- Program Income
- Property Tax
- Bond
- Tax Increment Financing
- Public/Private Investments
- Transient occupancy tax
- Condominium conversion Fee
- Document recording fees
- Housing Excise Tax

- Leftover money from other funds
- Residential demolition tax
- Sales Tax
- Use tax

Other (please specify)

[Upgrade to Add More Questions](#)

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Q11

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11. Why?

[Upgrade to Add More Questions](#)

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Number of Funding Sources

[Upgrade to Add More Questions](#)

Q12

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12. How many funding sources should advocates target?

- 1 Source
- 2-3 Sources
- 3-4 Sources
- 4-5 Sources

5 or more sources

[Upgrade to Add More Questions](#)

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Q13

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13. Why do you believe that is the ideal number of sources to target?

[Upgrade to Add More Questions](#)

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Q14

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*

14. Does targeting more sources invite more opposition?

[Upgrade to Add More Questions](#)

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Q15

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*

15. What types of sources invite the most opposition? Please rate each source from 1 to 10 (0 meaning “no opposition”, and 10 meaning “insurmountable opposition”).

No
Opposition

Insurmountable
Opposition

Developer Fee

General fund	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inclusionary Zoning In-lieu fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Program Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Property Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bond	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax Increment Financing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public/Private Investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transient occupancy tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Condominium conversion Fee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Document recording fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Housing Excise Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leftover money from other funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Residential demolition tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Upgrade to Add More Questions

Q16

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16. What suggestions do you have for garnering the most support for a housing trust fund?

[Upgrade to Add More Questions](#)

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Q17

[Edit Question ▼](#)

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17. After learning the basics of Atlanta's dilemma, what do you suggest as a viable option for the city of Atlanta to pursue?

- Developer Fee
- General fund
- Inclusionary Zoning In-lieu fees
- Program Income
- Property Tax
- Bond
- Tax Increment Financing
- Public/Private Investments
- Transient occupancy tax
- Condominium conversion Fee
- Document recording fees
- Housing Excise Tax
- Leftover money from other funds
- Residential demolition tax
- Sales Tax
- Use tax

Other (please specify)

[Upgrade to Add More Questions](#)

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Q18

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18. Why?

[Upgrade to Add More Questions](#)

[Split Page Here](#)

Q19

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19. Can you suggest a person, organization, or local government which may be able to assist in this research?

[Upgrade to Add More Questions](#)

Graduate Student Research : Funding Sources for Housing Trust Funds

Created November 2, 2011 5:53 PM

30 Responses

Q1. Name

Answer Options	Response Count
	30
answered question	30
skipped question	0

Q2. City, State

Answer Options	Response Count
	30
answered question	30
skipped question	0

Q3. Name of Organization

Answer Options	Response Count
	30
answered question	30
skipped question	0

Q4. Are local governments in your area having MORE difficulty raising funds for affordable housing currently than they did 5 years ago? Please indicate 1 to 5 (1 meaning "much easier time" and 5 meaning "much harder time").

Answer Options	Response %	Response Count
Harder time	48.3%	14.00
Much harder time	34.5%	10.00
About the same	13.8%	4.00
Much easier time	3.4%	1.00
Easier time	0.0%	-

Comments		9
	answered q	29
	skipped que	1

Q5. If yes, then why? Please choose one or more.

Answer Options	Response F	Response Count	
Declining revenues	75.9%	22	47.83%
Rising expenses	31.0%	9	19.57%
Political climate	55.2%	15	32.61%
Comments		11	
	answered q	29	46
	skipped que	1	

Q6. Are you aware of any local governments facing a problem funding affordable housing in today's economy, but still able to find creative funding sources?

Answer Options	Response Count
	26
answered question	26
skipped question	4

Q7. If so, what funding sources were used? Please choose one or more from the following list:

Answer Options	Response F	Response Count
Inclusionary Zoning In-lieu fees	50.0%	9
Developer Fee	38.9%	7
Tax Increment Financing	38.9%	7
General fund	38.9%	7
Public/Private Investments	27.8%	5
Program Income	22.2%	4
Bond	22.2%	4
Property Tax	11.1%	2
Transient occupancy tax	11.1%	2
Housing Excise Tax	11.1%	2

Condominium conversion Fee	5.6%	1
Document recording fees	5.6%	1
Leftover money from other funds	5.6%	1
Residential demolition tax	5.6%	1
Sales Tax	5.6%	1
Use tax	5.6%	1
Comments		8
	answered q	18
	skipped que	12

Q8. How difficult was it to secure this source of funding? Would you recommend it to other municipalities?

Answer Options	Response Count
	18
answered question	18
skipped question	12

Q9. Are you aware of a similar example, not limited to housing? For example storm water, transportation, parks etc.

Answer Options	Response Count
	15
answered question	15
skipped question	15

Q10. What funding sources do you believe are the best for funding affordable housing in this climate?

Revenue Sources	Response	Response Count
Residential demolition tax	0%	18
Property Tax	4%	12
Condominium conversion Fee	4%	11
General fund	8%	10
Housing Excise Tax	8%	7
Sales Tax	8%	7
Use tax	8%	6

Leftover money from other funds	12%	4	
Transient occupancy tax	15%	3	
Program Income	23%	2	
Developer Fee	27%	2	
Document recording fees	27%	2	
Bond	39%	2	
Inclusionary Zoning In-lieu fees	42%	1	
Public/Private Investments	46%	1	
Tax Increment Financing	69%	0	
Comments		4	88
	answered q	26	
	skipped que	4	

Q11. Why?

Answer Options	Response Count
	18
answered question	18
skipped question	12

Q12. How many funding sources should advocates target?

Answer Options	Response %	Response Count
3-4 Sources	33.3%	7
2-3 Sources	23.8%	5
5 or more sources	23.8%	5
4-5 Sources	14.3%	3
1 Source	4.8%	1
	answered q	21
	skipped que	9

Q13. Why do you believe that is the ideal number of sources to target?

Answer Options	Response Count
----------------	----------------

	21
answered question	21
skipped question	9

Q14. Does targeting more sources invite more opposition?

Answer Options	Response Count
	21
answered question	21
skipped question	9

Q15. What types of sources invite the most opposition? Please rate each source from 0 to 10 (0 meaning "no opposition", and 10 meaning "insurmountable opposition").

Answer Options	No Opposition										Insurmountable Opposi		Rating Aver	Response Count
	1	2	3	4	5	6	7	8	9	10				
Program Income	8	3	0	0	4	0	2	1	0	0	56	3.11	18	
Public/Private Investments	2	5	5	1	4	0	1	1	1	0	75	3.75	20	
Transient occupancy tax	1	3	0	2	0	3	2	2	2	0	81	5.4	15	
Leftover money from other funds	3	1	3	0	6	1	2	0	2	0	82	4.56	18	
Condominium conversion Fee	0	1	2	2	5	3	0	1	2	0	85	5.31	16	
Residential demolition tax	0	1	1	4	4	2	1	1	2	0	86	5.38	16	
Tax Increment Financing	1	4	2	0	6	1	3	2	1	0	97	4.85	20	
Housing Excise Tax	0	0	1	1	5	3	1	2	3	0	100	6.25	16	
Document recording fees	0	2	2	2	4	2	1	0	5	0	102	5.67	18	
Bond	1	4	2	2	2	2	4	3	1	0	106	5.05	21	
Developer Fee	3	0	1	2	1	3	3	2	3	1	111	5.84	19	
Inclusionary Zoning In-lieu fees	0	2	0	1	4	1	2	1	5	2	121	6.72	18	
Use tax	0	1	0	0	3	1	1	6	3	2	125	7.35	17	
General fund	0	0	1	1	2	1	4	3	5	2	140	7.37	19	
Sales Tax	0	0	1	0	2	1	1	4	5	4	143	7.94	18	
Property Tax	0	0	1	0	1	2	3	2	7	4	160	8	20	
											160 answered q		21	
	No Opposition										Insurmountable Opposi		skipped que	9
	1	2	3	4	5	6	7	8	9	10				
Property Tax	0	0	1	0	1	2	3	2	7	4	160			
	1 x 0	2 x 0	3x 1	4 x 0	5x 1	6 x 2	7 x 3	8 x 2	9 x 7	10 x 4				

Q16. What suggestions do you have for garnering the most support for a housing trust fund?

Answer Options	Response Count
	21
answered question	21
skipped question	9

Q17. After learning the basics of Atlanta's dilemma, what do you suggest as a viable option for the city of Atlanta to pursue?

Answer Options	Response %	Response Count
Housing Excise Tax	0%	0
Property Tax	5%	1
Condominium conversion Fee	5%	1
Residential demolition tax	5%	1
Sales Tax	5%	1
Use tax	5%	1
Developer Fee	10%	2
Transient occupancy tax	10%	2
General fund	19%	4
Program Income	19%	4
Bond	24%	5
Document recording fees	24%	5
Leftover money from other funds	24%	5
Inclusionary Zoning In-lieu fees	38%	8
Tax Increment Financing	43%	9
Public/Private Investments	43%	9
Comments		4
	answered q	21
	skipped que	9

Q18. Why?

Answer Options	Response Count
	21

answered question	21
skipped question	9

Q19. Can you suggest a person, organization, or local government which may be able to assist in this research?

Answer Options	Response Count
answered question	11
skipped question	19

Graduate Student Research : Priorities for Atlanta's Housing Opportunity

The city of Atlanta and housing advocates are currently exploring the future of the Housing Opportunity Fund. While it is still unknown where the future source of funding will come from, it is important to begin thinking about how the next allocation should be broken down.

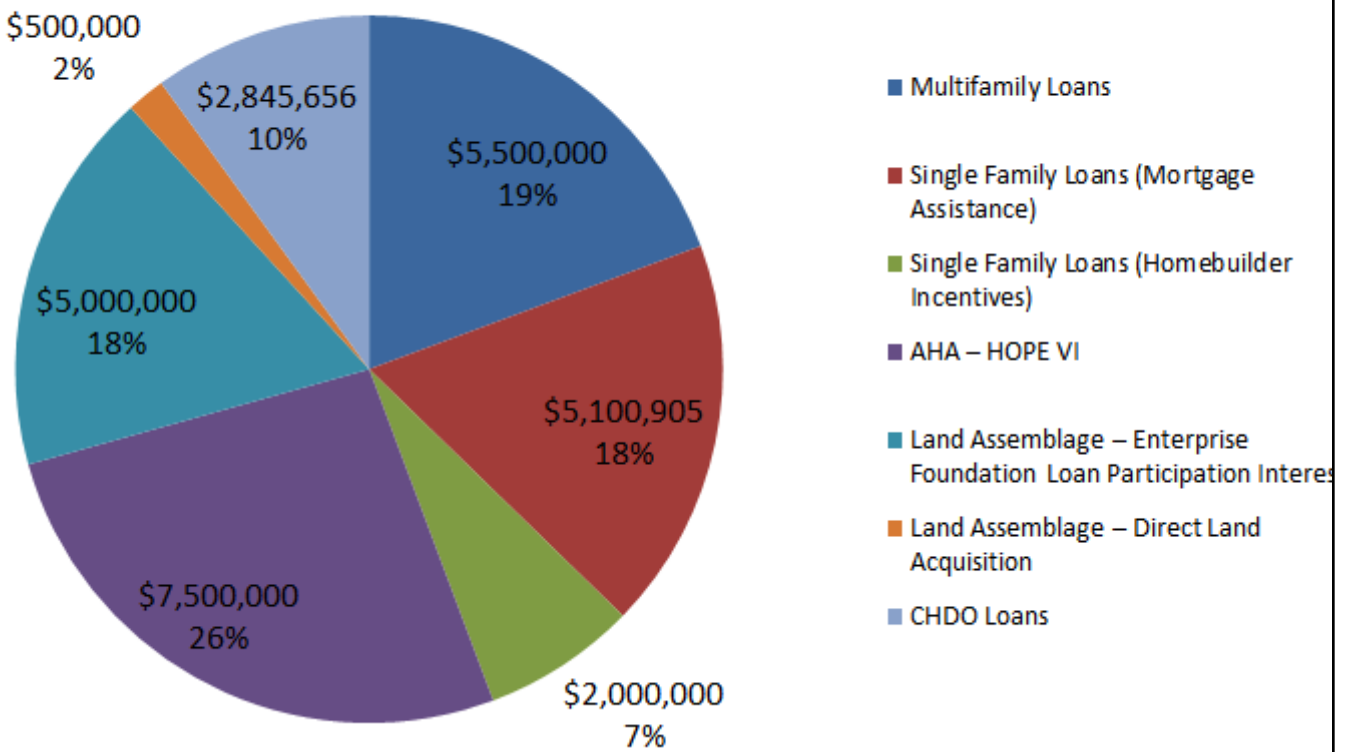
Part of my research paper includes providing suggestions for the future allocation, and to do this I am surveying practitioners and advocates in Atlanta. This survey includes questions to understand what the priorities should be for the Housing Opportunity Fund.

Below shows the data from the first Housing Opportunity Fund allocation. Figure 1 is the original budget, and figure 2 shows actual funds expended as of March 2011.

This survey will only take 5 to 10 minutes.

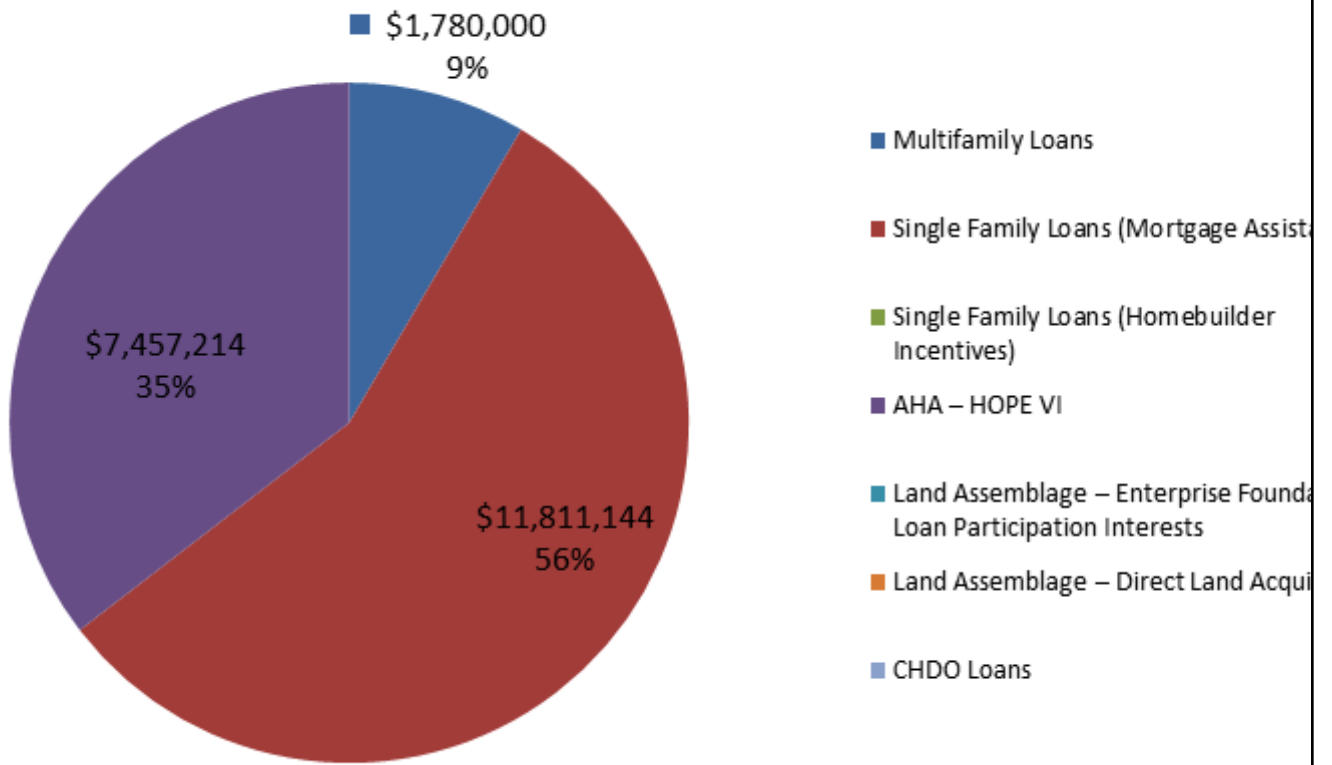
Thank you for participating.

Figure 1 - Original Budget



Graduate Student Research : Priorities for Atlanta's Housing Opportunity

Figure 2 - Funds Expended



Graduate Student Research : Priorities for Atlanta's Housing Opportunity

***1. Name:**

***2. Name of Organization:**

***3. In your opinion, was the first allocation of funds successful? Please explain.**

Graduate Student Research : Priorities for Atlanta's Housing Opportunity

4. Please rate, from 1 (no consideration/emphasis) to 5 (highest priority) the following categories of spending priorities for a future allocation

	1 - No consideration or funding should be allocated	2 - Low priority, only a small portion of funding should be allocated	3 - Average priority, this category should be funded; not at a high or low level	4 - High priority, this category should be funded at a high level	5 - Highest priority, this category should receive the highest proportion of funds
Rental units for households below 30% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental units for households between 30% and 50% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental units for households between 50% and 80% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental units for households between 80% and 120% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ownership units for households below 30% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ownership units for households between 30% and 50% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ownership units for households between 50% and 80% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ownership units for households between 80% and 120% AMI.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Foreclosure prevention.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mitigation of negative impacts from vacant and foreclosed properties, including property acquisition and redevelopment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relocation and other assistance for foreclosed homeowners.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

Graduate Student Research : Priorities for Atlanta's Housing Opportunity

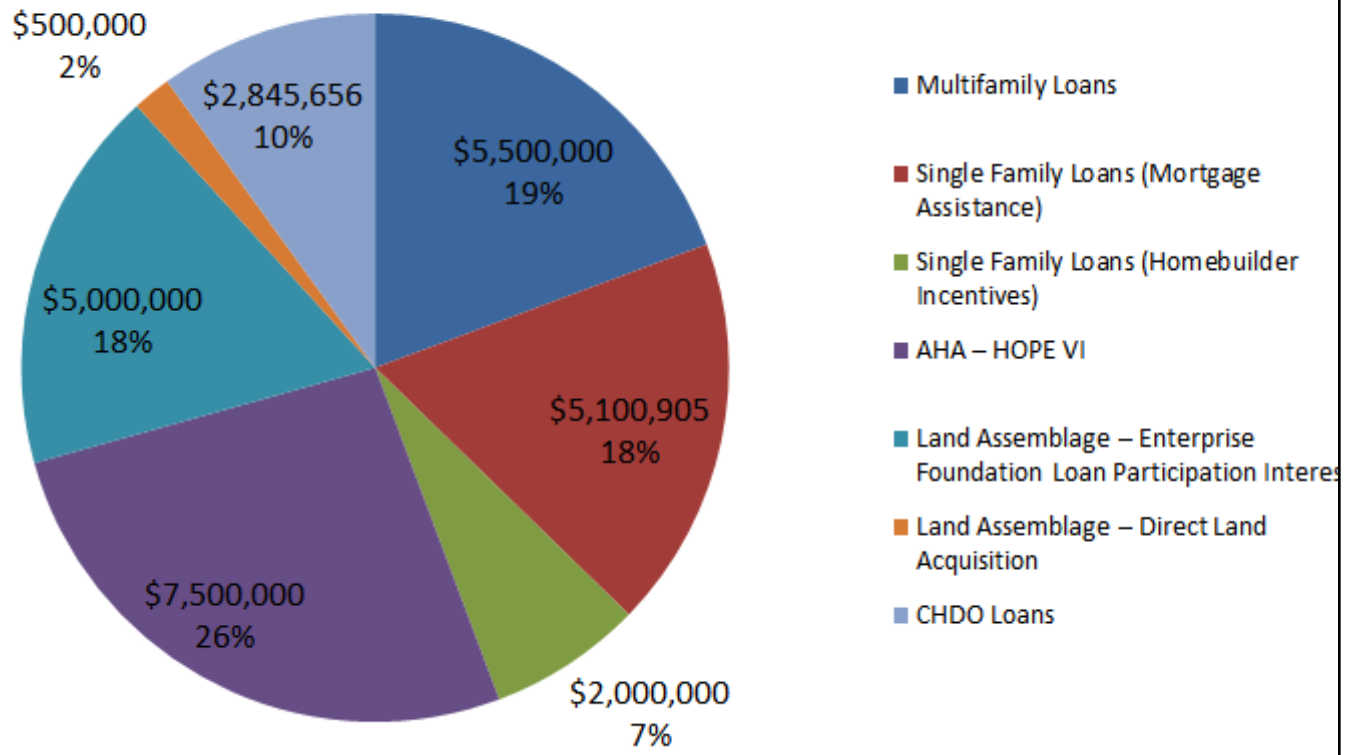
***5. Please assign a percentage as to how the future allocation of funds should be divided. In addition to placing a percentage next to each program, please elaborate as to the decisions you made. If you believe other programs should be added, please assign a percentage to OTHER, and explain what that program is.**

Below shows the data from the first Housing Opportunity Fund allocation. Figure 1 is the original budget, and figure 2 shows actual funds expended as of March 2011.

Multifamily Loans – New Construction	<input type="text"/>
Multifamily Loans – Rehab	<input type="text"/>
Single Family Loans (Mortgage Assistance)	<input type="text"/>
Single Family Loans (Down payment Assistance)	<input type="text"/>
Single Family Builder Construction Financing (Acquisition)	<input type="text"/>
Single Family Builder Construction Financing (Construction)	<input type="text"/>
Single Family Builder Construction Financing (Rehabilitation)	<input type="text"/>
Land Assemblage for future affordable housing sites (Financing for acquisition, demolition, and land clearance)	<input type="text"/>
CHDO Loans (Financing part of the acquisition, construction, or renovation of housing)	<input type="text"/>
Seed money for Transit Oriented Development	<input type="text"/>
Foreclosure Prevention	<input type="text"/>
Mitigation of negative impacts from vacant and foreclosed properties	<input type="text"/>
Relocation and other assistance for foreclosed homeowners	<input type="text"/>

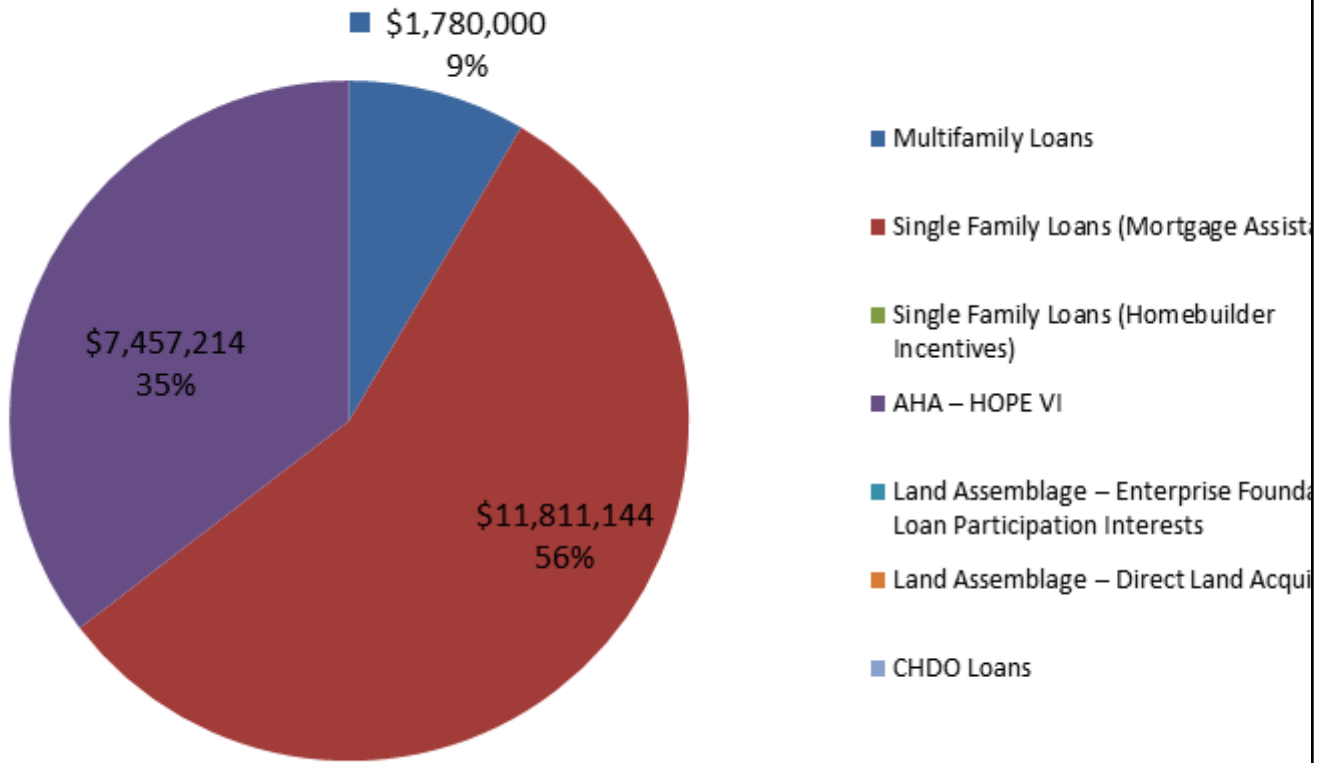
Graduate Student Research : Priorities for Atlanta's Housing Opportunity

Figure 1 - Original Budget



Graduate Student Research : Priorities for Atlanta's Housing Opportunity

Figure 2 - Funds Expended



6. If you believe other programs should be added, please explain what that program is and assign a percentage.

7. If you believe a category above is only partly accurate, please explain here.

For example: If you agree that land assemblage for future affordable housing sites should target acquisition, but not demolition, please indicate that here.

Graduate Student Research : Priorities for Atlanta's Housing Opportunity

Thank you for participating in this survey.

Please pass this along to anyone that you believe would have an interest in this matter.

Feel free to contact me with any questions or comments.

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Graduate Student Research : Priorities for Atlanta's Housing Opportunity Fund

Created
11/12/2011
5:11:00 PM

15 Responses

Name:	
Answer Options	Response Count
	14
<i>answered question</i>	14
<i>skipped question</i>	0

Number	Response Date	Response Text	Categories
1	Feb 18, 2012 1:54 AM	Ronald Lall	
2	Feb 17, 2012 9:21 PM	Richelle (Shelly) Patton	
3	Feb 16, 2012 4:11 PM	Meaghan Vlkovic	
4	Feb 14, 2012 8:36 PM	Jim Wehner	
5	Feb 14, 2012 5:13 PM	Christy (Norwood) Taylor	
6	Feb 14, 2012 3:08 PM	Frank Alexander	
7	Feb 13, 2012 9:52 PM	Dawn J. Luke	
8	Feb 13, 2012 9:01 PM	John O'Callaghan	
9	Feb 13, 2012 8:34 PM	Ernestine Garey	
10	Feb 13, 2012 4:59 PM	Dan Reuter	
11	Feb 13, 2012 4:14 PM	Deirdre Oakley	
12	Feb 13, 2012 3:02 PM	Dan Immergluck	
13	Feb 13, 2012 2:54 PM	Natallie Keiser	
14	Feb 13, 2012 4:13 AM	Andy Schneggenburger	

Graduate Student Research : Priorities for
Name of Organization:

Name of Organization:	
Answer Options	Response Count
	14
<i>answered question</i>	14
<i>skipped question</i>	0

Number	Response Date	Response Text	Categories
1	Feb 18, 2012 1:54 AM	SouthStar CDC	
2	Feb 17, 2012 9:21 PM	Tapestry Development Group	
3	Feb 16, 2012 4:11 PM	Enterprise Community Partners	
4	Feb 14, 2012 8:36 PM	Charis Community Housing	
5	Feb 14, 2012 5:13 PM	Charis Community Housing	

- 6 Feb 14, 2012 3:08 PM Emory
- 7 Feb 13, 2012 9:52 PM Atlanta Development Authority d/b/a Invest Atlanta
- 8 Feb 13, 2012 9:01 PM ANDP
- 9 Feb 13, 2012 8:34 PM Invest Atlanta
- 10 Feb 13, 2012 4:59 PM ARC
- 11 Feb 13, 2012 4:14 PM Georgia State University
- 12 Feb 13, 2012 3:02 PM School of City and Regional Planning, Georgia Tech
- 13 Feb 13, 2012 2:54 PM Keiser Consulting
- 14 Feb 13, 2012 4:13 AM AHAND

**Graduate Student Research : Priorities for
In your opinion, was the first allocation of funds**

Answer Options	Response Count
	13
<i>answered question</i>	13
<i>skipped question</i>	1

Number	Response Date	Response Text	Categories
Ronald Lall	Feb 18, 2012 1:55 AM	No, not if success depends on how closely to the desired outcome the result actually was.	
Richelle (Shelly)	Feb 17, 2012 9:22 PM	Yes.	
Meaghan Vlkovic	Feb 16, 2012 4:11 PM	It was for HOPE VI and Single family loans.	
4	Feb 15, 2012 6:36 PM	The downpayment assistance allocation was very successful. It helped encourage and sustain home purchases during a period when the Atlanta housing market was very depressed. The CHDO funding and other development funding was difficult to disburse, as it was set up to be gap funding at a time when developers could not get primary development funds from other sources.	
Jim Wehner	Feb 14, 2012 8:38 PM	We have a number of families in the neighborhood that we serve that have received DPA. But I do not know if these monies came through the Housing Opportunity Fund or from other sources? Besides that, it is difficult to comment on success because Charis and the neighborhood we serve were not recipients of these funds.	
Christy (Norwood)	Feb 14, 2012 5:14 PM	Mortgage Assistance for Homebuyers - When the funding pool dries up, the sale of our homes drops significantly.	

Dawn J. Luke	Feb 13, 2012 9:53 PM	No. As the administrator of the program, we have revised the allocation several times to address market conditions. The program components should be established and be firm but dollars should be fluent.
John O'Callaghan	Feb 13, 2012 9:02 PM	Yes. The capital was largely expended in ways that supported families and neighborhoods
Ernestine Garey	Feb 13, 2012 8:34 PM	No.
Dan Reuter	Feb 13, 2012 4:59 PM	Dont have enough information. Unfamiliar with use.
Deirdre Oakley	Feb 13, 2012 4:15 PM	That's hard to say because the figures provide not context.
Dan Immergluck	Feb 13, 2012 3:02 PM	assistance makes some sense given tight credit markets. However, there should probably too much specialization in the lending categories, and some terms that clearly were
Andy Schnegger	Feb 13, 2012 4:15 AM	

Graduate Student Research : Priorities for Atlanta's Housing Opportunity Fund
Please rate, from 1 (no consideration/emphasis) to 5 (highest priority) the following

Answer Options	1 - No consideration or funding should be allocated	2 - Low priority, only a small portion of funding should be allocated	3 - Average priority, this category should be funded; not at a high or low level	4 - High priority, this category should be funded at a high level	5 - Highest priority, this category should receive the highest proportion of funds	Rating Average	Response Count
Ownership units for households below 30% AMI.	7	2	1	2	1	2.08	13
Ownership units for households between 30% and 50% AMI.	4	4	1	4	0	2.38	13

Rental units for households between 80% and 120% AMI.	Rental units for households between 80% and 120% AMI.	3	4	3	3	0	2.46	13	
Relocation and other assistance for foreclosed homeowners.	Relocation and other assistance for foreclosed homeowners.	3	2	2	3	2	2.92	12	
Ownership units for households between 80% and 120% AMI.	Ownership units for households between 80% and 120% AMI.	0	5	1	4	2	3.25	12	
Rental units for households between 50% and 80% AMI.	Rental units for households between 50% and 80% AMI.	1	1	3	8	0	3.38	13	
Foreclosure prevention.	Foreclosure prevention.	1	3	2	2	4	3.42	12	
Ownership units for households between 50% and 80% AMI.	Ownership units for households between 50% and 80% AMI.	1	0	4	8	0	3.46	13	
Rental units for households below 30% AMI.	Rental units for households below 30% AMI.	1	2	0	9	1	3.54	13	
Rental units for households between 30% and 50% AMI.	Rental units for households between 30% and 50% AMI.	0	2	0	10	1	3.77	13	
Mitigation of negative impacts from vacant and foreclosed properties, including property acquisition and redevelopment.	Mitigation of negative impacts from vacant and foreclosed properties, including property acquisition and redevelopment.	0	0	2	6	5	4.23	13	
Other (please specify)								5	
								<i>answered question</i>	13
								<i>skipped question</i>	1

Number	Response Date	Other Cate (please specify) s
Meaghan Vlkovic	Feb 16, 2012 4:16 PM	There needs to be funding focused on the preservation of multi-family housing and single family acquisition/rehab rental - construction and permanent. The use of funds for single family rental will also allow opportunities for very low income and supportive housing units.
2	Feb 15, 2012 6:42 PM	In the current environment, it seems that foreclosure prevention should be the highest priority. However, there are sources of funds for foreclosure prevention that are not being effectively deployed - such as the Hardest Hit Funds. And hopefully more sources will be coming from the federal government and the recent back settlement. Determining the gap would need to be closely looked at before determining a foreclosure prevention product for these funds. There does not seem to be a clear source to replace NSP for acquisition and redevelopment of vacant properties - there is a definite and clear need.
Dawn J. Luke	Feb 13, 2012 9:57 PM	Funds should be allocated to assist current owners with the rehabilitation of existing homes. In addition, there should be a pool for strategy acquisition, demolition and/or repositioning of properties (both multifamily & single family)
Deirdre Oakley	Feb 13, 2012 4:17 PM	Implementation of more services for homeless individuals and families
Andy Schnegger	Feb 13, 2012 4:21 AM	Clarification: Allocations for rental units in the below 30 and 30-50 AMI ranges should be part of a 'Preservation' category. This would generally align with priorities from Enterprise Community Partners and another source that is escaping my memory at the moment.

Graduate Student Research : Priorities for Atlanta's Housing
Please assign a percentage as to how the future allocation of funds

Answer Options	Response Average	Response Total	Response Count
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Single Family Loans (Down payment Assistance)	Single Family Loans (Down payment Assistance)	22.50	90	4	
		15%			
Single Family Loans (Mortgage Assistance)	Single Family Loans (Mortgage Assistance)	40.00	80	2	
		13%			
Multifamily Loans - Rehab	Multifamily Loans - Rehab	13%	18.75	75	4
Land Assemblage for future affordable housing sites (Financing for acquisition, demolition, and land clearance)	Land Assemblage for future affordable housing sites (Financing for acquisition, demolition, and land clearance)	15.00	75	5	
		13%			
Mitigation of negative impacts from vacant and foreclosed properties	Mitigation of negative impacts from vacant and foreclosed properties	14.00	70	5	
		12%			
Seed money for Transit Oriented Development	Seed money for Transit Oriented Development	16.25	65	4	
		11%			
Multifamily Loans - New Construction	Multifamily Loans - New Construction	16.67	50	3	
		8%			
Single Family Builder Construction Financing (Rehabilitation)	Single Family Builder Construction Financing (Rehabilitation)	10.00	30	3	
		5%			
Relocation and other assistance for foreclosed homeowners	Relocation and other assistance for foreclosed homeowners	10.00	30	3	
		5%			
CHDO Loans (Financing part of the acquisition, construction, or renovation of housing)	CHDO Loans (Financing part of the acquisition, construction, or renovation of housing)	7.50	15	2	
		3%			
Single Family Builder Construction Financing (Acquisition)	Single Family Builder Construction Financing (Acquisition)	5.00	10	2	
		2%			

Foreclosure Prevention	Foreclosure Prevention	2%	5.00	10	2
Single Family Builder Construction Financing (Construction)	Single Family Builder Construction Financing (Construction)	0%	.00		1
				600	
				<i>answered question</i>	6
				<i>skipped question</i>	8

180.67

Number	Response Date	Multifamil y Loans - New Constructi on	Categories	Multifamil y Loans - Rehab	Categories	Single Family Loans (Mortgag e Assistance)	Categories	Single Family Loans (Down payment Assistance)	Categories	Single Family Builder Construct ion Financing (Acquisiti on)	Categories	Single Family Builder Construct ion Financing (Construc tion)	Categories	Single Family Builder Construct ion Financing (Rehabilit ation)	Categories	Land Assembla ge for future affordable housing sites (Financin g for acquisitio n, demolitio n, and land clearance)	CHDO Loans (Financin g part of the acquisitio n, constructi on, or renovatio n of housing)	Categories	Seed money for Transit Oriented Developm ent	Categories	Foreclosu re Preventio n	Categories	Mitigation of negative impacts from vacant and foreclose d properties	Categories	Relocatio n and other assistanc e for foreclose d homeowners	Categories
Ronald Lall	Feb 18, 2012 1:59 AM															25			25							25
Richelle (Shelly) Patton	Feb 17, 2012 9:28 PM	10		30				40								15								5		
Meaghan Vlkovic	Feb 16, 2012 4:33 PM			15				10		10				10		5			5			10		20		5
Christy (Norwood) Taylor	Feb 14, 2012 5:20 PM	5				60		30											10				10			
	Feb 13, 2012 5:01 PM	6		20										20		10			20							
	Feb 13, 2012 3:08 PM	6		20		20		10		0		0		0		10		10	10			0		10		0

Graduate Student Research : Priorities for Atlanta's Housing Opportunity Fund
If you believe other programs should be added, please explain what that program is and

Answer Options	Response Count
<i>answered question</i>	2
<i>skipped question</i>	12

Number	Response Date	Response Text	Categories
Meaghan Vlkovic	Feb 16, 2012 4:33 PM	Some of the above options could be wrapped into one program - single family acq/rehab which should be a revolving loan product, maybe keep some in the deal as subsidy to keep rents affordable and operational). Foreclosure response funds should be the top priority, wrapping affordable housing into the response measures. Regarding multi-family, a focus should be on rehab of distressed properties or expiring properties that are not obsolete in the Atlanta market. New construction should focus in areas of TOD and employemnt opportunities, or connected to a strategic plan with additional investment in a community. We should understand why the CHDO funds were not used before reallocating again.	
Christy (Norwood)	Feb 14, 2012 5:20 PM	Mitigation of negative impacts from vacant and foreclosed properties - this would decrease crime, increase a community's desirability and thus increase sales.	

Graduate Student Research : Priorities for
If you believe a category above is only partly

Answer Options	Response Count
	2
<i>answered question</i>	2
<i>skipped question</i>	12

Number	Response Date	Response Text	Categories
Richelle (Shelly)	Feb 17, 2012 9:28 PM	I do not think that the breakdown of uses needs to be so strictly confined to new construction vs. rehab, I think the funds should be more flexible to be used for projects that meet market demand and have the best ability to secure other funds to leverage the HOF funds. I think general categories, like "rental" and "homeownership" support is sufficient.	
Meaghan Vlkovic	Feb 16, 2012 4:33 PM	I think new construction should be tied to transit and employment opportunities. There is so much vacant foreclosed stock, that most of the funds for a future issuance should focus on RESTORING Atlanta as part of a foreclosure response.	