



COMPREHENSIVE BUDGET

**FOR THE FISCAL YEAR
BEGINNING JULY 1, 2021
AND ENDING JUNE 30, 2022**

Approved by the Board of Commissioners on
June 23, 2021



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Executive Summary

To the Board of Commissioners:

I am pleased to present Atlanta Housing's FY 2022 Comprehensive Budget Book. This document includes meaningful information regarding AH's proposed FY 2022 operating, development and revitalization activities to support the delivery of our FY 2022 MTW Annual Plan.

As President and Chief Executive Officer ("CEO") of Atlanta Housing and an industry veteran of over 35 years, I welcome the opportunity to improve AH's current strategic process and delivery of housing services for those in need, working independently and in collaboration with those who share our vision.

The lack of affordable housing is a national crisis to which there is no simple solution but because we believe in the potential of people, we will continue our relentless efforts towards achieving AH's mission with focus on the following:

- Increase the availability of affordable housing by constructing new or rehabilitating existing units by modernizing or preserving them.
- Use housing as a platform to improve the quality of life beyond shelter and incorporate economic, educational, and wellness opportunities into the solutions.
- Act as good stewards of resources by maximizing operating efficiencies through collaboration and inclusion opportunities and leveraging resources.

The enclosed FY 2022 Budget was developed to support the activities and initiatives outlined in our FY 2022 MTW Annual Plan and lay the foundation for the forthcoming FY 2022-2026 Strategic Plan.

Our budget projects sources of funds at \$413.2 million from the following:

- \$378.2 million in MTW Single funds provided by HUD, of which \$80.0 million will be drawn from prior year funds held at HUD.
- \$13.7 million from the Choice Neighborhoods Grant.
- \$1.6 million from development-related income earned from deals closed in prior years and \$4.4 million from deals expected to close during FY 2022.
- \$5.3 million in repayment of development loans
- \$10.0 million from other sources consisting of tenant dwelling income, interest on surplus cash, public improvement funds, and other revenue from ancillary sources.

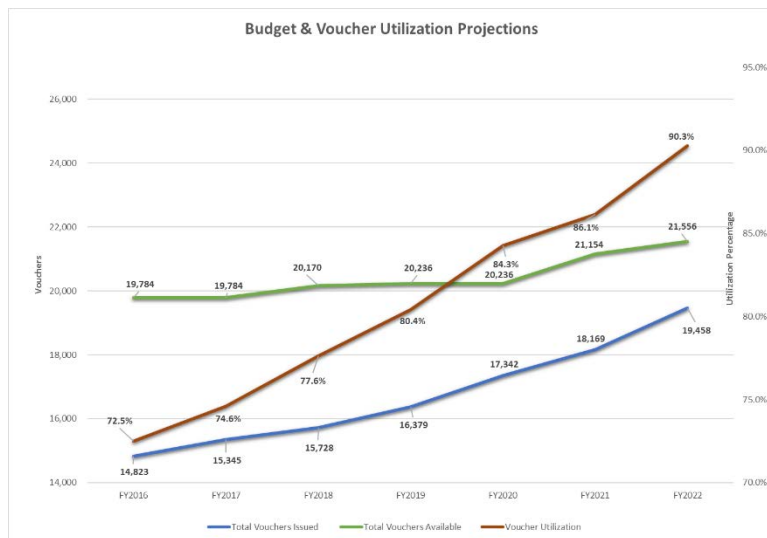
Projected uses of these funds will total \$413.2 million¹, primarily for the following:

Increasing the number of households served. AH's highest priority remains to serve more low-income individuals in need of affordable housing. As depicted in the following chart, AH has made significant strides towards improving its voucher utilization rate and plans to continue its efforts during FY 2022 to reach over 90 percent from less than 70 percent in FY 2015.

¹ Please note, this will result in a \$9.9 million excess of funds which will be held primarily in AH's program income and non-federal cash reserves.

AH reopened its Housing Choice Voucher waitlist in 2017, giving preference to residents of and those who work in the City of Atlanta. In addition, with the decreasing availability of affordable housing options in the City of Atlanta, AH's budget also provides funding for business marketing, outreach programs and incentives to landlords in order to encourage and expand new landlord participation in AH's Tenant-Based Voucher program.

In total, our budget provides for \$204.6 million in housing assistance and public housing subsidy payments, an increase of \$24.4 million over the FY 2021 Budget, due to a projected 1267 unit gain, net of attrition, in Tenant-Based and HomeFlex assisted units, as depicted in the chart below. Because this includes units that are converting to Housing Choice under RAD, not all of these units are additional households served.



Increase focus on building partnerships, securing financial resources and creating greater access to opportunities. To stabilize families and foster growth and advancement, affordable housing must be coupled with incentives and economic, educational and wellness opportunities for our participants.

To ensure adequate focus is given to this vital effort, AH has reviewed its service delivery model provided by the Human Development teams. The new service delivery model will successfully and more efficiently provide the various self-sufficiency programs to achieve our goals in each of the five focus areas, which are as follows:

1. Family Independence and Economic Advancement;
2. Student Achievement;
3. Digital Literacy and Connectivity;
4. Health and Wellness; and
5. Volunteerism.

During FY 2022, we plan to invest a total of \$3.5 million for human development support to be provided by either specialized third party professionals or AH's internal Human Development teams to support the self-sufficiency programs.

Long-term real estate initiatives to expand and preserve affordable housing opportunities in MIXED communities. AH will continue its mission of expanding quality affordable housing opportunities throughout the City of Atlanta through its various real estate initiatives, which include the revitalization and continued development of MIXED communities as well as new initiatives.

To this end, our FY 2022 Budget provides for \$122.5 million of development and revitalization expenditures, primarily comprised of the following initiatives:

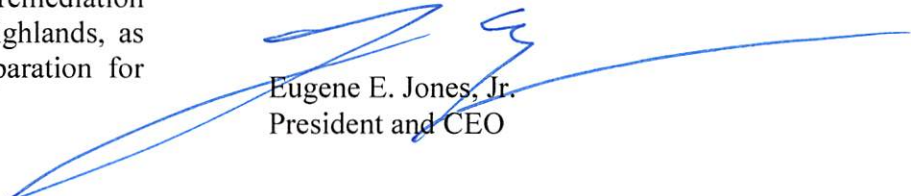
- \$30.1 million for the redevelopment of former public housing sites, primarily at Herndon and Englewood, as well as projected property acquisitions including Chosewood Park I & 2 and Heritage Village at West Lake.
- \$53.5 million towards the University Choice Neighborhood's four components, of which \$39.9 million will be spent for housing.
- \$16.0 million in co-investment and new initiatives for the creation and rehabilitation of affordable housing in the City of Atlanta.
- \$3.3 million towards the conversion of Barge Road and Hightower Manor highrises and Villages of Castleberry II from Public Housing-funded (Section 9) to Section 8-funded under HUD's RAD Program, as well as other communities- planned for either subsidy or rehabilitation conversion in the near future.
- \$5.0 million in homeownership down payment assistance for 238 first-time homebuyers at or below 80 percent AMI.
- \$14.6 million in other development activities, of which \$3.2 million is for the development of 30 scattered sites in the Magnolia Perimeter area, with the remainder to be spent for public improvements, site improvements, and remediation work at Centennial, Civic Center and West Highlands, as well as real estate consulting services in preparation for future site development.

Continuation of effective and efficient agency administration.

AH plans to accomplish its goal with an increase of only two additional full-time positions. The cost impact of these new positions, combined with a 3 percent merit pay increase, an expected 14 percent inflation increase in the AH-provided medical plan and increased consulting and professional services to assist with our various initiatives, result in higher budgeted Operating Divisions and Corporate Support expenses of a combined \$2.0 million in FY 2022 over the FY 2021 Budget.

The extension by the Department of Housing and Urban Development of AH's MTW agreement until 2028 assures continued flexibility. AH, as an MTW agency, will continue to pursue innovative programs, many of which are unique to Atlanta—that enhance the quality of life for our residents and provide them with housing opportunities in every community of the City. These services, which help guide our residents along the path to self-sufficiency, include educational and workforce development support, among others.

Finally, I am constantly inspired by the dedication and resilience of our staff. It is their continued commitment to make a difference for our families and the community that allows us to successfully accomplish our mission of serving families and the community.



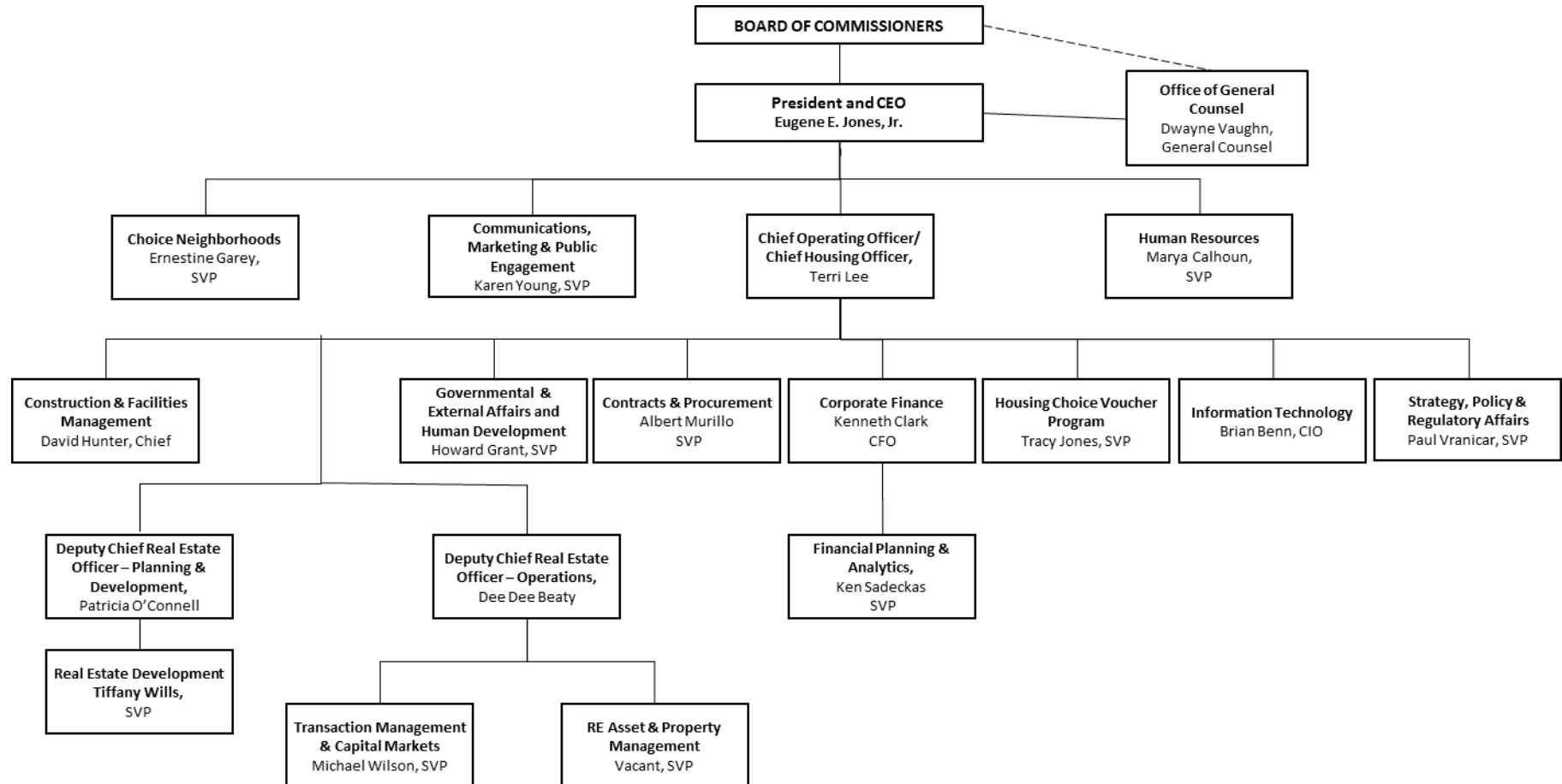
Eugene E. Jones, Jr.
President and CEO



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Housing Authority of the City of Atlanta, Georgia, for its Annual Budget for the fiscal year beginning July 1, 2020. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**Atlanta Housing Organization
FY 2022**



Five-Year Plan and FY 2022 Priorities

On March 24, 2021, the Board of Commissioners (Board) of Atlanta Housing (“AH”) approved a resolution to adopt and submit the Fiscal Year 2022 MTW Annual Plan (“MTW Plan”) to the U.S Department of Housing and Urban Development (HUD). The MTW Plan provided the priorities for FY 2022. The MTW Plan can be found on AH’s website at:

<https://www.atlantahousing.org/wp-content/uploads/2021/02/HA-GA006-FY-2022-Ann.-MTW-Plan-2.pdf>

The following provides highlights of the MTW Plan.

Atlanta Housing’s Vision

Healthy Mixed-Income Communities; Healthy Self-Sufficient Families.

Atlanta Housing’s Mission

Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community.

Atlanta Housing’s Long Term Goals

- **Quality Living Environments** – Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.
- **Self-Sufficiency** – (a) Facilitate opportunities for families and individuals to build economic capacity and stability that will reduce their dependency on subsidy and help them, ultimately, to become financially independent; (b) facilitate and support initiatives and strategies to promote great educational outcomes for children; and (c) facilitate and support initiatives that enable the elderly and persons with

disabilities to live independently with enhanced opportunities for aging well and to improve health and wellness for all residents.

- **Economic Viability** – Maximize AH’s financial soundness and viability to ensure sustainability of its investments and portfolio of properties.

Atlanta Housing’s Guiding Principles

In approaching its work, regardless of the funding source, strategy, or programmatic initiative, AH applies the following guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to assure long-term market competitiveness and sustainability of the community and to support excellent outcomes for families (especially children), with emphasis on excellent, high-performing neighborhood schools and high quality-of-life amenities, including first-class retail and green space.
3. Create mixed-income communities with the goal of creating market-rate communities with a seamlessly integrated affordable residential component.
4. Develop communities through public/private partnerships using public and private sources of funding and private sector expertise and real estate market principles.
5. Support AH-assisted families with strategies and programs that help them achieve their life goals, focusing on financial self-sufficiency and educational advancement of the children with expectations and standards for personal responsibility benchmarked for success.

Atlanta Housing's Programs

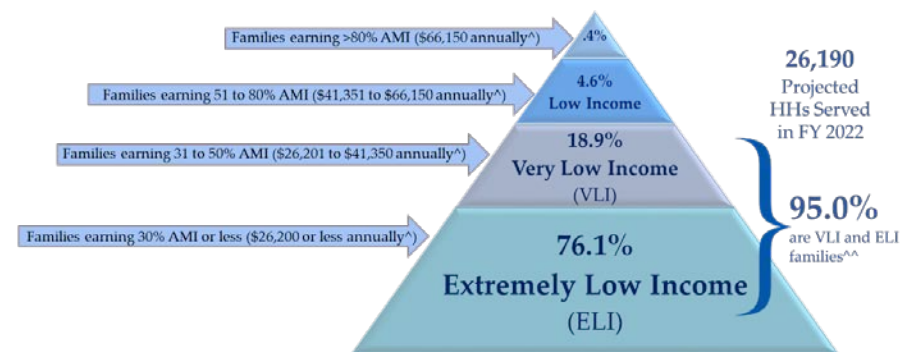
- **AH-Owned Communities** are AH's public housing senior/disabled high-rises and family communities.
- **HAVEN** is the collective program of AH's supportive housing pilots and initiatives for at-risk populations.
- **HomeFlex** is AH's MTW-Approved Project Based Rental Assistance (or PBRA) program.
- **Housing Choice Voucher Program** is AH's tenant-based voucher program.
- **MIXED Communities** represent AH-Sponsored Mixed Use, Mixed-Income developments on former public housing sites.

OUR BENEFICIARIES: The People Our Plan Impacts

AH's Fiscal Year (FY) 2022 Plan continues to advance three core agency priorities: (1) increasing housing opportunities, (2) improving resident services and expanding economic opportunities, and (3) improving service delivery and making agency operations more efficient.

AH provides housing opportunities and support primarily through five programs. Seventy-six percent of the families are extremely low-income and earn \$26,200 or less per year on average for a family of four. In other words, AH assists the families that need us most, whether due to their income or circumstances. Over the next four years, AH will focus on opening the doors wider to create more housing opportunities for families, individuals, and special needs populations such as veterans, older adults, and persons with disabilities.

2022 Projected Assisted Households (HHs)



[^]Source: HUD Income Limits approved April 2020; based on a Family of Four. ^{^^}Source: Data Reporting and Analysis.

FY 2022 MTW Goals and Objectives

Atlanta Housing (AH) has identified goals and objectives for its FY 2022 Budget aligned under the strategy identified below and described in further detail in AH's FY 2022 MTW Plan and the forthcoming FY 2022-2026 Strategic Plan. In addition, each of AH's Departmental goals and initiatives is linked to the AH goals and objectives in *Section II – Department Information - Operating Divisions and Corporate Support*.

AH holistically operates the entire agency under the Moving-to-Work (MTW) concept. Under its MTW authority, the agency is required to design local flexibilities that achieve at least one of the three MTW Statutory Objectives:

- **Statutory Objective #1:** Reduce costs and achieve greater cost effectiveness in Federal expenditures.
- **Statutory Objective #2:** Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
- **Statutory Objective #3:** Increase housing choices for low-income families.

From this mandated framework, AH developed *VISION 2022*, which outlined how AH would utilize its MTW flexibilities to leverage administrative, financial, human, and other resources at its disposal to administer, implement, monitor, and modify existing, new, and planned MTW activities and non-MTW initiatives.

During FY 2021, AH staff has worked on developing a strategic plan for the next five years. The product of this effort is expected to be published in the fall of 2022.

The FY 2022 MTW Annual Plan ("MTW Plan") identifies the following priorities for FY 2022:

- Create and preserve affordable housing units through new construction, significant rehabilitation, substantial modernization, tenant-based voucher (TBV) issuance/renewal, new/renewed HomeFlex Assistance Payment (HFAP) Agreements, and new down payment assistance (DPA) awards.
- Increase or maintain an acceptable voucher utilization rate through the issuance and lease-ups of TBVs and the assignment and lease-up of HFAP agreements. AH plans to reach 90% voucher utilization by the end of FY 2022.
- Increase the number of new households served by leasing up newly completed construction projects, issuing and leasing new TBVs, assigning and leasing up new HFAPs, and issuing DPA awards to eligible first time homebuyers.
- Increase or maintain an acceptable work/program compliance rate by assisting non-compliant families in retaining employment or returning to the workforce after an extended period of unemployment.

With these Priorities as a base, AH Staff developed Goals and Objectives for FY 2022. They are as follows:

CREATE & PRESERVE: To create vibrant, thriving, and safe communities using affordable or mixed-income housing as the catalyst, and to preserve existing affordable and mixed-income housing for the benefit of communities across the city.

RESIDENT WELL-BEING: To use housing as a platform to promote resident well-being and progressive growth towards independence.

AH OPERATIONS: To serve the community and achieve quality outcomes, and to act as good stewards of resources in the delivery of excellent services.

During a series of retreats, AH senior leadership identified the objectives that will lead to meeting these goals. AH leadership then developed department-level tactics and action plans to support these goals. The AH Objectives are provided below.

In Section II, each department identifies the objectives which they will lead and/or support, as well as the department goals which flow from them.

Atlanta Housing FY 2022 Goals and Objectives

The following provides the three AH FY 2022 Goals and the AH Objectives that support them. These goals and objectives guided AH leadership in developing the FY 2022 Budget. Each department, with a primary or support responsibility for the objectives, has identified the AH objective in Section II along with the Department goal that flows from it.

CREATE & PRESERVE: To create vibrant, thriving, and safe communities using affordable or mixed-income housing as the catalyst, and to preserve existing affordable and mixed-income housing for the benefit of communities across the city.

- By continuing to develop and build housing programs serving homeless or formerly homeless populations.
- By developing a Five Year Real Estate Capital Plan for acquisitions, new developments and recapitalizations.
- By developing and implementing a finance and acquisition and preservation strategy that invests in well-located communities across the city.
- By developing and preserving community amenities to support the holistic education and empowerment of community residents.
- By developing relationships with public agencies, private organizations and individuals to support AH's development strategy.
- By directing AH resources, including land, finances, and staff capacity, towards the creation of the highest number of housing units in healthy communities.
- By implementing innovative housing, financing, construction and sustainability strategies to expedite the creation of housing units and improve the quality of life for residents.
- By increasing total households served by over 1,200 units.
- By increasing voucher utilization to over 90% of authorized vouchers.
- By preserving the affordable housing units in the agency's existing mixed-income, mixed-finance portfolio including HomeFlex, MIXED, and AH-Owned properties.
- By preserving the supply of non-AH owned or assisted affordable, including existing naturally occurring affordable properties.
- By targeting and attracting Housing Choice landlords in areas of opportunity and amenity-rich neighborhoods.

RESIDENT WELL-BEING: To use housing as a platform to promote resident well-being and progressive growth towards independence.

- By administering the Book Rich Environments Program.
- By administering the HUD Designated EnVision Program.
- By administering the Santa for a Day Program.
- By connecting residents to primary and preventative healthcare, information and services leading to healthy lifestyles and habits.
- By creating a program that provides Residents access to computers, internet -and training.
- By creating a Reoccupancy Program.
- By developing relationships with public agencies, private organizations and individuals to support AH's development strategy.
- By encouraging resident involvement in civic life.
- By helping AH residents with career exploration, job preparedness and placement on a path to earning a livable wage.
- By providing access to resources that support and promote academic achievement and educational enrichment.
- By providing access to wraparound services that promote self-sufficiency for special populations and tracking of partner performance.
- By providing seniors and residents with disabilities with supportive services and diverse community and civic engagement opportunities.
- By strengthening and developing public, private and philanthropic partnerships.
- By supporting families to advance along the housing continuum.

AH OPERATIONS: To serve the community and achieve quality outcomes, and to act as good stewards of resources in the delivery of excellent services.

- By assessing staff skill levels and training needs, and implement annual staff training plan.
- By achieving certification as a green organization.
- By collaborating with local and national partners to champion green innovation within low income communities.
- By creating a business model that is data driven and high performing.
- By creating, maintaining, and sustaining a culture based on values, thoughts, and actions that reflect respect and dignity.
- By ensuring equity, diversity and inclusion.
- By ensuring participants share in the full and tangible benefits of a greener AH.
- By ensuring that AH is a good neighbor and reliable community partner.
- By implementing a corporate Sustainability Plan focused on resiliency programs and practices to reduce AH impacts on the environment.

- By improving AH's overall financial health.
- By improving customer service.
- By incorporating energy conservation measures and sustainable practices throughout AH operations.
- By leveraging and seeking new resources to incentivize energy and efficiency upgrades.
- By making AH an employer of choice with an accountable, diverse, trained and productive workforce.
- By streamlining operations to increase operational effectiveness and efficiency.
- By working collaboratively across departments to optimize interconnectedness.
- By executing events and developing verbal and visual content publicizing AH's programmatic success stories and partnerships.
- By developing core competencies for employees to achieve greater performance and growth.
- By developing standard reports from the model to be distributed to SLT and Board as needed.
- By effectively conduct key corporate administrative activities to support all aspects of agency operations.
- By fully documenting operational procedures, in order to identify opportunities to streamline and simplify business processes.
- By improving and documenting operational processes for maximum efficiency and output.
- By increasing opportunities for employee growth and development.
- By increasing utilization of M/W/SBE partners.
- By upgrading management reporting tools, as needed, to ensure appropriate tracking and oversight of AH finances.

NOTE: The FY 2022-2026 Strategic Plan is still under development and some of these goals or objectives may be modified in the future.

BUDGET PROCESS

AH's annual budget process is a decentralized, goals and objectives-oriented process specifically designed to support AH's mission and long-range vision on a consolidated budget basis.

AH, like most organizations, has an overlapping budget cycle. The next year's budget is developed while the current year budget is being executed. It includes an internal operating budget, as well as external budget-related submissions required by HUD.

The budget cycle is an integral part of AH's overall strategic business planning cycle. This cycle is displayed on the next page. The months indicated provide the relative timeframe for each activity.

Internal Budget Process

AH Strategic Plan Updated or Realigned

The President and CEO and senior staff review the AH Strategic Plan to update or realign, as applicable, and develop the implementation plan for the upcoming fiscal year.

Develop Implementation Plan for the Coming Fiscal Year

AH's senior and middle management then identify the projects and programs necessary to accomplish AH's goals and objectives for the upcoming fiscal year. Appropriate initiatives, milestones, priorities, and required resources are identified as a part of the process and included in AH's Annual MTW Plan submitted to HUD.

Develop Budget Requests Based on MTW Plan and Annual Requirements

Senior staff develops program, along with corporate and administrative departments, budgets to support the Annual MTW Implementation Plan. Significant areas include:

- **AH-Owned Properties.** AH, in cooperation with private management agents who manage AH-Owned public housing properties, develops the annual detailed budgets necessary to manage such properties to the goals and objectives set forth in the respective management plans and property management agreements. Separate budgets are established for each property.
- **MIXED Communities.** The MIXED Communities are owned by public/private partnerships and a percentage of the units are reserved for families who need some assistance to pay their rent. For that percentage, AH provides a public housing operating subsidy to the owner on a break-even basis for apartments occupied by qualified low income residents. AH bases the MIXED operating subsidy budget on the individual annual budgets submitted by the owners.
- **HomeFlex Communities.** Through contractual agreements with owners, AH provides monthly rental assistance for units occupied by qualified residents. Some HomeFlex units are also located in MIXED Communities to increase the number of assisted units. AH develops annual HomeFlex subsidy budgets based on current performance and forecasted changes in the number of units.
- **Housing Choice Vouchers.** The budget for Housing Choice Housing Assistance Payments (HAP) is based on current

FY 2022 Proposed Budget

voucher expenses, projected new voucher increments, attrition, inflation, and other factors that affect annual costs.

- **Development and Revitalization.** Based on the strategic real estate plan, commitments, opportunities, and fund availability, AH develops a project-based Development and Revitalization plan.
- **AH Headquarters.** Based on the workload outlined in the Annual MTW Plan, the leadership of each department develops a staffing plan and non-salary budget to meet its goals and objectives for the coming year.

Finance Consolidates Budgets

Finance analyzes the various budgets for accuracy and completeness and consolidates them into AH's initial requested budget. Senior Management reviews the consolidated requested budget to ensure it will allow AH to accomplish its goals and objectives in the most effective and efficient manner possible.

Finance Estimates Revenues

Finance estimates fiscal year revenues and compares these with the requested budgets. Finance prepares the initial Sources and Uses report to display this information. This report provides Senior Management with a high level analysis of the requested funds and the estimated revenues, ensuring funds availability.

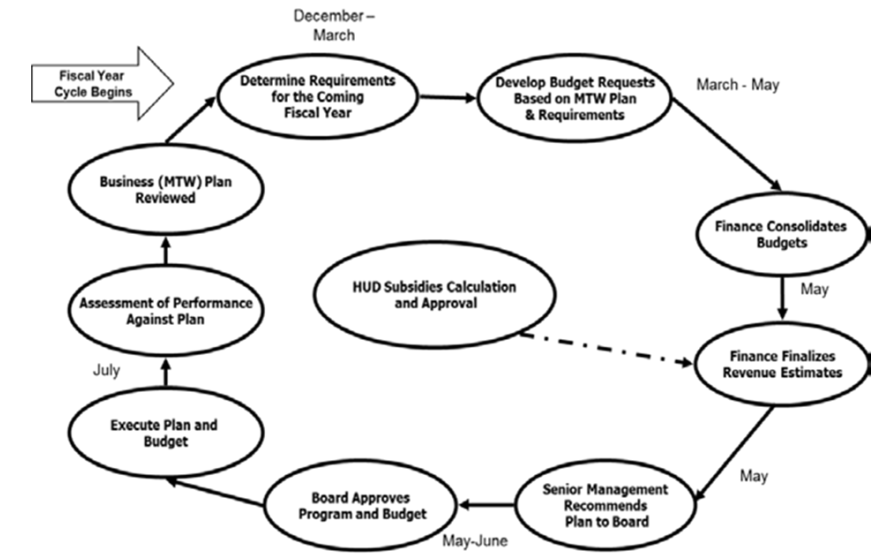
Finance Confirms Budget Internal Integrity

Finance ensures revenues and expenditures are properly aligned. This is especially important in incorporating HUD's Rental Assistance Demonstration (RAD) impact on sources of funds and

The Housing Authority of the City of Atlanta, Georgia

programs funded as communities transfer from Section 9 Public Housing funding to Section 8 Housing Choice funding.

AH's Budget Process



Senior Management Recommends Budget to the Board

Executive Management reviews analysis supporting the Budget. The Budget is documented in the annual Budget Book which is provided to the Board of Commissioners for approval.

Board Approves Budget

The Board of Commissioners reviews the Budget Book and is briefed by Senior Management. The Commissioners then approve the budget.

Execute Plan and Budget

The Finance Department loads the approved budget into AH's Financial Management System and provides management with their fiscal year budgets at account level detail. Funds are expended throughout the year based on the previously identified goals, objectives, projects and initiatives. Budgets may be exceeded only when supported by a strong business case.

Assessment of Performance and Reporting Against Plan

Throughout the year, Senior Management reviews the operational and financial performance of AH compared to the Annual MTW Plan and Budget. Senior Management makes changes where required and uses the assessment as an input to the next year's priorities.

The Chief Financial Officer ("CFO") provides quarterly financial reports to the Board of Commissioners on the status of revenues and expenditures against the Budget, with explanations of significant variances, as well as the financial position of the Agency, including funding availability.

Amendments to the Annual Comprehensive Operating and Capital Budget

In their approval of the Annual Comprehensive Operating and Capital Budget, the Board authorizes the President and CEO and the CFO to "do all things necessary and advisable to submit the Budget to the United States Department of Housing and Urban Development ("HUD"), if so required, to make such changes as may be required by HUD without the further vote or approval of the Board."

As far as reallocations within the budget, the Board resolution states that: "Further, the President and Chief Executive Officer and

the Chief Financial Officer are hereby authorized to make reallocations between funding sources, business lines, departments and accounts, as necessary, to execute the FY 2022 MTW Annual Plan as long as AH remains within the FY 2022 Budget use of funds authority approved in this resolution."

If unbudgeted expenditures are required, the CEO or the CFO will authorize the spending in accordance with this guidance. The Board-approved budget will not necessarily be modified to reflect any transfer of budget.

After the first six months, AH conducts a mid-year budget review and, if required, presents a revised budget to the Board for the remainder of the fiscal year.

Contracts and Procurement Policy

In accordance with AH's Contracts and Procurement Policy, the Board of Commissioners appoints and delegates to the CEO procurement authority, as the Contracting Officer. The CEO has the authority to execute intergovernmental agreements, contracts, purchase orders and/or modifications up to four hundred thousand dollars (\$400,000) without Board approval.

Approval of the Board of Commissioners is required for contracts and contract modifications, that alone or in the aggregate, total an amount in excess of four hundred thousand dollars (\$400,000). Board approval is also required when subsequent modification(s) total four hundred thousand dollars (\$400,000).

In the event the CEO determines it would be in the best interest of AH, the CEO, upon concurrence, the Chairperson of the Board of Commissioners may execute a contract and/or modification that requires Board approval before the next Board meeting, provided

that said contract and/or modification is presented to the Board for ratification at the next regular or special Board meeting.

In addition to the above, the President and Chief Executive Officer has the authority to terminate contracts in accordance with the terms of such contracts and enter agreements relating to resolution of any contract dispute. AH presents, to the Board, contracts which are expected to exceed \$400,000 during the term of the contract.

Strategic Contracts

Included in the Budget Resolution are Strategic Contracts where AH has entered into contractual relationships with various vendors to provide specialized expertise, technical assistance and temporary staff for various projects and programs. In addition, AH is authorized to purchase goods and services under the State of Georgia contracts and applicable United States General Services Administration (GSA) contracts, which allows AH to benefit from the buying power of each.

The Strategic Contract section of the Budget Resolution authorizes the President and CEO to issue or amend contracts and task orders with strategic contractors, including those in excess of \$400,000, provided that the total of all Strategic Contracts, when taken together with the other budget expenditures, do not exceed the total budget authority provided under the FY 2022 Budget. The Budget Resolution provides for quarterly reports to the Board of

Commissioners on actual expenditures against Strategic Contract budgeted spending.

HUD Funding and Appropriation Process (*See chart below*)

HUD's Voucher Program, Operating Subsidy and Capital Fund Programs are funded through the annual federal appropriations process. On December 27 2019, the President signed the Consolidated Appropriations Act, 2021 ("2021 Appropriations Act"), which includes the funds HUD will provide to public housing agencies for calendar year 2021, which is HUD's Funding Year 2021.

AH's fiscal year begins July 1 and ends June 30. The AH FY 2022 Budget, therefore, includes six months (July–December 2021) that will be funded based on HUD's Funding Year 2021. Based on the provisions of the 2021 Appropriations Act, HUD has established Voucher Program, Public Housing Operating Fund, and Capital Fund Program funding levels for public housing agencies for calendar year 2021. HUD may adjust these funding levels based on the availability of fund for each program at Federal fiscal year end.

The last six months of AH's FY 2022 Budget (January–June 2022) is based on HUD's Funding Year 2022. On April 9, 2021, the President released his blueprint for the FFY 2022 budget in a letter

Calendar Year 2021												Calendar Year 2022											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Oct 2020 <- Federal Fiscal Year 2021									Federal Fiscal Year 2022												FFY 2023 ->		
HUD Funding Year 2021												HUD Funding Year 2022											
<- AH Fiscal Year (FY) 2021						AH Fiscal Year (FY) 2022												AH Fiscal Year (FY) 2023->					

to Congress. The letter addressed significant increases in HUD programs.

The Congressional Federal Fiscal Year 2022 appropriations process, however, has just begun, and it is possible that many of the President's increases will not survive into the final appropriations act. With considerable negotiations expected, the appropriations process may not be finalized until late fall or winter 2021. Therefore, AH's FY 2022 Budget is based on HUD's Funding Year 2021 levels on the assumption that these will be repeated for HUD's Funding Year 2022. If substantial increases are incorporated into the FFY 2022 Appropriation Act, which would require changes in AH's FY 2022 budget, AH staff will work with the Board of Commissioners to amend the FY 2022 Budget.

Impacts of COVID-19 on AH Funding

In response to the financial and economic impacts of the Novel Coronavirus COVID-19 ("COVID-19"), Congress passed the Coronavirus Aid, Relief, and Economic Security or the CARES Act ("CARES Act"). This act provided authority for HUD to grant waivers to regulations and provided additional Housing Choice Voucher and Public Housing Operating Fund revenue to prevent, prepare for, and respond to the coronavirus, including for public housing agencies to maintain normal operations and take other necessary actions during the period the program is impacted by coronavirus.

The use of these funds is not limited to incremental costs which are related to COVID-19 and are currently set to expire on December 31, 2021. The CARES Act authorizes the HUD Secretary to extend this date, if necessary. Since CARES Act funds are supplemental to AH's regular annual funding, and may

be used for not only COVID-19 related expenses but also ordinary Housing Choice and Public Housing operating and capital expenses, they do not require a budget. Use of the CARES Act funds is reported in FY 2021 as regular FY 2021 actuals in the schedules contained in this document.

HUD is also providing temporary housing assistance through the Emergency Housing Voucher Program ("EHVP"). Under this program, HUD allocates vouchers to PHAs non-competitively to house individuals and families who are: homeless; at risk of homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or are recently homeless.

The EHVP provides additional funding for housing assistance payments and administration of the program. As of June 1, 2021, HUD allocated 202 EHVP vouchers to AH; and AH plans to request additional vouchers.

Due to the uncertainties of this program at this time, the funds for EHVP are not addressed in this budget document, but will be accounted for separately.

COMPREHENSIVE BUDGET OVERVIEW

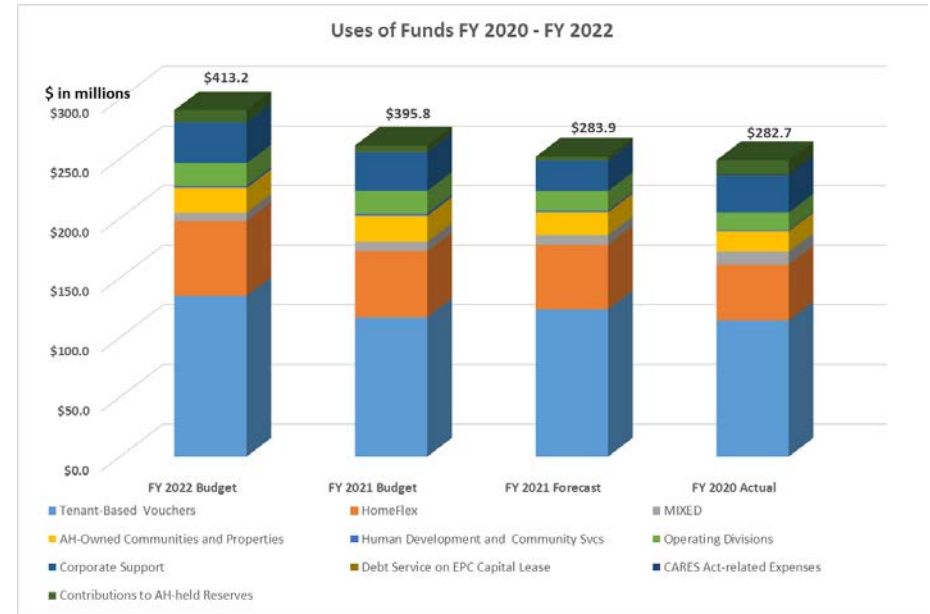
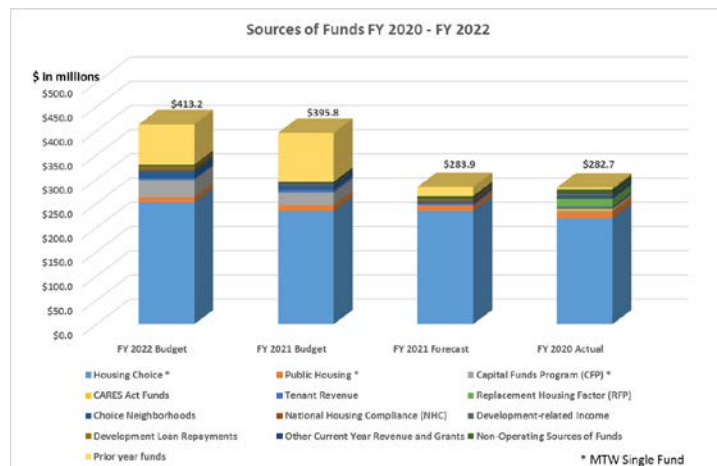
	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Sources of Funds					
Current Year Sources of Funds					
Housing Choice Voucher Funds Authorized	\$ 251,947,984	\$ 233,582,045	\$ 18,365,939	\$ 233,582,045	\$ 18,365,939
Public Housing Operating Subsidy	10,928,112	11,732,973	(804,861)	11,732,973	(804,861)
Capital Funds Program (CFP)	35,324,913	27,169,253	8,155,660	500,000	34,824,913
Total MTW Single Fund	298,201,010	272,484,271	25,716,739	245,815,018	52,385,992
Tenant Revenue	3,743,092	5,595,072	(1,851,980)	4,595,072	(851,980)
Choice Neighborhoods Implementation Grant (CNIG)	13,726,000	8,749,771	4,976,229	2,330,449	11,395,551
National Housing Compliance (NHC)	1,694,800	1,094,909	599,891	1,594,909	99,891
Development-related Income	4,396,764	2,793,285	1,603,479	2,183,077	2,213,687
Development Loan Repayments	5,273,637	-	5,273,637	2,500,000	2,773,637
Other Current Year Revenue and Grants	821,957	1,558,014	(736,057)	1,000,000	(178,043)
Non-Operating Sources of Funds	1,833,506	2,038,939	(205,433)	5,000,000	(3,166,494)
Total Current Year Sources of Funds	329,690,765	294,314,261	35,376,504	265,018,526	64,672,240
Sources of Funds from Prior Year Accumulations					
Drawdown of HCV-Originated MTW Funds-held at HUD	80,015,174	100,149,169	(20,133,995)	18,005,796	62,009,378
Program Income and Other Funds	1,600,000	-	1,600,000	848,593	751,407
Public Improvement Funds Provided by the City of Atlanta and Other City Agencies	1,858,259	1,358,559	499,700	-	1,858,259
Total Sources of Funds from Prior Year Accumulations	83,473,433	101,507,728	(18,034,295)	18,854,389	64,011,109
Total Sources of Funds	\$ 413,164,198	\$ 395,821,989	\$ 17,342,210	\$ 283,872,914	\$ 128,683,349
Uses of Funds					
Housing Assistance and Operating Subsidy Payments					
Housing Assistance and Operating Subsidy Payments	\$ 204,590,773	\$ 180,166,070	\$ 24,424,703	\$ 185,834,619	\$ 18,756,154
Operating Expense for AH-Owned Residential Communities & Other AH Properties	14,763,239	14,919,488	(156,249)	12,027,126	2,736,113
Capital Expenditures for AH-Owned Residential Communities & AH Headquarters	5,985,782	6,909,564	(923,782)	7,061,104	(1,075,322)
Human Development, Supportive Housing Services and Community Relations	1,837,125	2,140,053	(302,928)	1,446,268	390,857
Operating Divisions	18,856,912	18,846,688	10,223	16,487,190	2,369,721
Corporate Support	34,444,137	32,488,737	1,955,400	25,697,151	8,746,986
Choice Neighborhoods Development and Revitalization	53,533,601	27,277,265	26,256,336	7,978,856	45,554,745
Development and Revitalization (excluding Choice Neighborhoods)	69,015,614	107,503,872	(38,488,259)	24,195,967	44,819,646
Debt Service on Energy Performance Contract (EPC) Capital Lease	196,465	307,437	(110,972)	290,290	(93,826)
Contributions to AH-held Reserves	9,940,552	5,262,815	4,677,737	2,854,343	7,086,209
Total Uses of Funds	413,164,198	395,821,989	17,342,210	283,872,914	129,291,284
Excess of Sources over Uses of Funds	\$ -	\$ -	\$ -	\$ -	\$ -

Comprehensive Budget – Three-Year Comparison

FY 2022 marks the nineteenth year of AH’s participation in HUD’s Moving-to-Work (“MTW”) Demonstration Program. AH continues to employ the flexibility afforded by its MTW Agreement with HUD.

Consistent with its FY 2022 Priorities, AH will continue to pursue the three statutory objectives of the MTW Program.

On a combined basis, the Budget provides for total sources of \$413.2 million, an increase of \$17.3 million over last year’s Budget. Sources include drawing down \$83.5 million of funds accumulated in prior years, a decrease of \$18.0 million over the FY 2021 Budget, most of which was not drawn in FY 2021. Total uses of funds in the FY 2022 Budget are projected to amount to \$413.2 million, which is \$17.3 million greater than the FY 2021 Budget. These Uses include \$9.9 million of funds to be added to AH’s program income and non-federal cash reserves.



The increase in uses of funds is primarily due to higher spending in housing assistance payments, as well as increases in AH headquarters department spending, offset by a net reduction in budgeted development and revitalization.

Although AH’s MTW Annual Plan is comprehensive in nature and presented on a combined basis above, the FY 2022 Budget is presented in this document as two components: a FY 2022 Operating Budget and a FY 2022 Development and Revitalization Budget. The former focuses on the annual operations and related funding of AH, while the latter represents a twelve-month projection of the expenses and funding of multi-year development and revitalization projects.

FY 2022 Operating Budget Overview

AH expects to expend \$280.7 million in operating funds and has identified \$280.9 million in sources for operating activities in FY 2022. Included in the \$280.7 million is \$1.7 million in non-federal funds received from National Housing Compliance over uses for activities not qualifying for federal funding, in addition to public improvement receipts in excess of uses for those funds. These funds will be held at AH for future use

One of AH's highest priorities continues to be serving low-income individuals in need of affordable housing. In FY 2022, AH is focused on increasing the number of total households served by increasing the number of Tenant-Based Vouchers ("TBV") and HomeFlex assisted units. AH's budget reflects the heightened focus on increasing the number of households served by allocating:

Housing Assistance and Operating Subsidy Payments	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B
Tenant-Based and Homeownership Vouchers	\$ 134,737,120	\$ 116,910,751	\$ 17,826,369
HomeFlex Rental Assistance (formerly PBRA)	62,937,141	55,332,426	7,604,715
Mixed Communities Operating Subsidy for AH-Assisted Units	6,916,512	7,922,893	(1,006,381)
Total	\$ 204,590,773	\$ 180,166,070	\$ 24,424,703

- \$134.7 million to cover the costs of over 11,000 vouchers and related fees to support additional marketing efforts and incentives to attract additional landlords to the TBV program.
- \$62.9 million in HomeFlex rental assistance to fund almost 8,500 affordable rental units, including 1,712 units which have already converted or plan to convert to HomeFlex under RAD Housing Choice funding during FY 2022.

- \$6.9 million in operating subsidy to its partners to support 1,562 public housing units at MIXED Communities, which will decrease by 551 units once selected MIXED communities convert to HomeFlex under RAD during FY 2022.

The FY 2022 Budget provides \$12.1 million to operate, maintain and provide capital improvements for 1,267 units at nine AH-Owned communities. It also includes budget of \$8.6 million for operating and capital expenditures for the AH Headquarters building and other AH-owned properties.

AH plans to spend \$1.8 million (contracted services) for Human Development Supportive Housing Services and Community Relations, in addition to \$0.9 million for AH's Human Development staff and \$1.0 million in human development services at the nine AH-Owned communities.

The Budget provides \$18.9 million for staffing and operations of its Operating Divisions and \$34.4 million for Corporate Support Departments. These amounts fund continuing planning, supervision, management and support, as well as an increased focus on partnerships, real estate activities, regulatory compliance and process improvements.

FY 2022 Development and Revitalization Budget Overview

In line with AH's Agency Goal 1: *Increase the number of affordable housing units and households served by developing new units, preserving existing units, and optimizing voucher utilization*, the Budget includes \$132.2 million in real estate development and revitalization activities, which will be primarily funded from AH's HUD-held MTW reserve, the Choice Neighborhoods grant, Capital Fund Program (CFP) funds and program income from previous deals. This includes almost \$10.0 million of development-related income, which will be added to AH's reserves for future development.

To support Mayor Bottom's One Atlanta Affordable Housing Action Plan and dramatically increase the supply of affordable housing in the City of Atlanta, as will be seen in the Budget activities, AH is embarking upon an aggressive plan to develop its vacant land through public/private partnerships, to diversify its portfolio through investment in quality affordable housing developments throughout the City of Atlanta, and to preserve its affordable housing stock through RAD conversions. To this end, the major components of the budget are summarized below.

- \$30.1 million for the redevelopment of former public housing sites, primarily at Herndon and Englewood, totaling \$12.9 million, as well as Heritage Village at West Lake and other potential property acquisitions.
- \$53.5 million towards the University Choice Neighborhood's four components, of which \$39.9 million will be spent for housing.
- \$16.0 million in co-investment and new initiatives for the creation and rehabilitation of affordable housing in the City

of Atlanta.

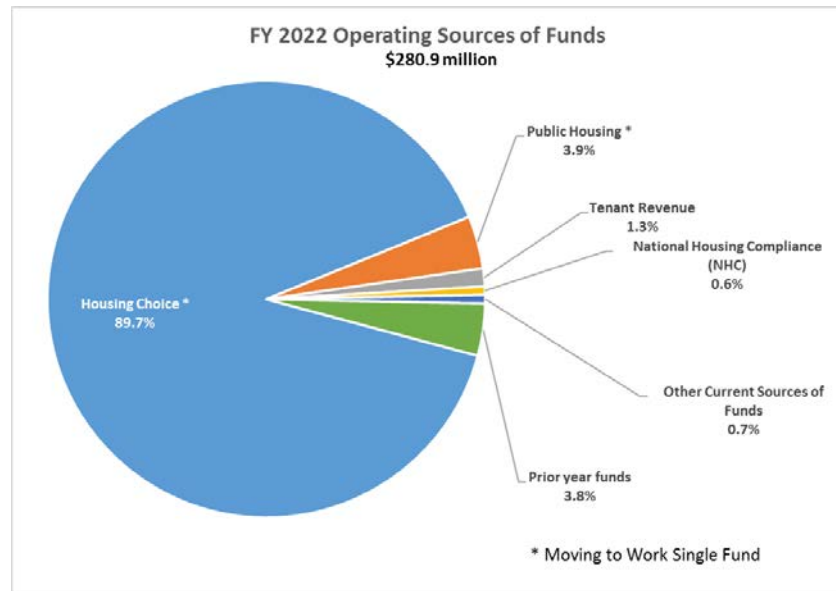
- \$3.3 million towards the FY 2022 conversion of Barge Road and Hightower Manor highrises and the advancement of other communities from Public Housing-funded (Section 9) to Section 8-funded under HUD's RAD program
- \$5.0 million in homeownership down payment assistance for 268 first-time homebuyers at or below 80 percent AMI.
- \$14.6 million in other expenditures of which \$3.2 million is for the development of 30 scattered sites in the Magnolia Perimeter area, with the remainder to be spent for public improvements, site improvements and remediation work at Centennial Place, Civic Center, and West Highlands; and real estate consulting services in preparation for future site development.

OPERATING BUDGET – SOURCES AND USES

	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Sources of Funds					
Housing Choice Voucher Funds Authorized	\$ 251,947,984	\$ 233,582,045	\$ 18,365,939	\$ 233,582,045	\$ 18,365,939
Public Housing Operating Subsidy	10,928,112	11,732,973	(804,861)	11,732,973	(804,861)
Total MTW Single Fund	262,876,097	245,315,018	17,561,079	245,315,018	17,561,079
Tenant Revenue	3,743,092	5,595,072	(1,851,980)	4,595,072	(851,980)
National Housing Compliance (NHC)	1,694,800	1,094,909	599,891	2,330,449	(635,649)
Other Current Year Revenue and Grants	821,957	1,153,247	(331,290)	1,000,000	(178,043)
Non-Operating Sources of Funds	1,020,106	604,633	415,473	1,084,753	(64,647)
Sources of Funds from Prior Year Accumulations					
Drawdown of HCV-Originated MTW Funds-held at HUD	10,788,532	3,309,202	7,479,330	-	10,788,532
Total Operating Sources of Funds	\$ 280,944,583	\$ 257,072,081	\$ 23,872,502	\$ 254,325,293	\$ 26,619,290
Uses of Funds					
Housing Assistance and Operating Subsidy Payments					
Tenant-Based and Homeownership Vouchers	\$ 134,737,120	\$ 116,910,751	\$ 17,826,369	\$ 123,602,981	\$ 11,134,139
HomeFlex Rental Assistance (formally PBRA)	62,937,141	55,332,426	7,604,715	54,056,424	8,880,717
Mixed Income Operating Subsidy	6,916,512	7,922,893	(1,006,381)	8,175,215	(1,258,703)
Total Housing Assistance and Operating Subsidy Payments	204,590,773	180,166,070	24,424,703	185,834,619	18,756,153
Operating Expense for AH-Owned Residential Communities & Other AH Properties	14,763,239	14,919,488	(156,249)	12,027,126	2,736,113
Capital Expenditures for AH-Owned Residential Communities & AH Headquarters	5,985,782	6,909,564	(923,782)	7,061,104	(1,075,322)
Human Development, Supportive Housing Services and Community Relations	1,837,125	2,140,053	(302,928)	1,446,268	390,857
Operating Divisions	18,856,912	18,846,688	10,223	16,487,190	2,369,721
Corporate Support	34,444,137	32,488,737	1,955,400	25,697,151	8,746,986
Debt Service on Energy Performance Contract (EPC) Capital Lease	196,465	307,437	(110,972)	290,290	(93,826)
Contributions to AH-held Reserves	270,151	1,294,043	(1,023,892)	5,481,543	(5,211,392)
Total Operating Uses of Funds	\$ 280,944,583	\$ 257,072,081	\$ 23,872,502	\$ 254,325,293	\$ 26,619,290
Excess of Sources over Uses of Funds	\$ -	\$ -	\$ -	\$ -	\$ -

FY 2022 Proposed Budget

The Housing Authority of the City of Atlanta, Georgia



AH projects \$280.9 million in funding sources from HUD and other external sources to support its FY 2022 operations, a \$24.8 million increase from the FY 2021 Budget, and \$26.6 million over the current forecast for FY 2021 actual expenditures. ("FY 2021 Forecast") The details behind each of the funding sources are explained in the following sections.

Moving-to-Work (MTW) Single Fund

Under AH's MTW Agreement, AH administers its funding for the Housing Choice Voucher Program ("HCVP"), Public Housing Operating Subsidy ("Operating Subsidy") and Capital Fund Program ("CFP") as a single fund ("MTW Single Fund") in a substantially less regulated environment with increased programmatic flexibility.

Notwithstanding this increased flexibility, there remains ongoing program-specific budgeting, accounting and reporting responsibilities to HUD. AH will continue to receive funds from these three program areas in accordance with HUD's annual appropriations process. AH projects \$262.9 million of FY 2022 MTW funding from its three funding sources, which are as follows:

Housing Choice Voucher Program Funds AH's FY 2022 Budget includes \$251.9 million in Voucher Program funds, which represents an increase of \$18.4 million from the FY 2021 Budget primarily due to an inflation factor of 4.28 % applied in CY 2021, while proration rose to 100%. In addition, nine AH properties, which transitioned to Housing Choice funding on January 1, 2021, will receive a full 12 months of HCVP funding in FY 2022 and 3 additional properties will convert on January 1, 2022. The \$251.9 million Housing Choice Voucher Program funds are comprised of the following:

- \$229.8 million for 19,069 authorized **MTW-qualified vouchers**, into which administrative fees are embedded. HUD applied a 4.0289% inflation factor and a 100% proration for CY 2021. AH used a more conservative approach for CY 2022 appropriations (second half of AH FY 2022) in assuming 2.5% inflation and 99.5% proration for these MTW vouchers and for all other HAP voucher types.
- \$9.8 million for 818 **non-MTW special-purpose vouchers**. Participants using these special-purpose vouchers are managed within AH's MTW program, but special accommodations apply in accordance with HUD's guidance for each program.

These non-MTW special-purpose vouchers support the Family Unification Program (300), Veterans Affairs Supportive Housing (“VASH”) (270), One-Year Mainstream (Near elderly disabled) (175) and Five-Year Mainstream (73). Such vouchers, by virtue of the related authorization and appropriations language, will never be eligible for inclusion in AH’s MTW Single Fund. They are reported in the Budget as part of MTW Program for convenience purposes only but reported to HUD and managed separately.

HUD FY 2022 RAD Funding			
Property	Units	Months	RAD HAP
Juniper and Tenth	149	12	\$1,050,910
Piedmont	207	12	1,389,489
Castleberry Hills I	66	12	347,827
Villages at Eastlake	271	12	2,268,990
Marietta Road Highrise	129	12	907,271
Columbia Commons	48	12	269,787
Columbia Estates	50	12	361,348
Parkside at Mechanicsville	47	12	327,632
Columbia Mechanicsville Apartments	62	12	432,536
Columbia Senior Mechanicsville	54	12	365,274
Columbia Park Citi	61	12	358,609
Peachtree Road Highrise	196	12	1,359,392
Barge Road	129	6	390,715
Hightower Manor	129	6	401,738
Castleberry Hills II	114	6	309,881
	1712		\$10,541,398

- \$10.5 million for 1,712 **RAD vouchers**, corresponding to 12 months of RAD funding for 12 previously converted properties and ; and six months of funding for the 3 properties converted in CY 2021. AH will not start receiving RAD HCVP subsidy from HUD for 6 properties scheduled to convert in the last half of FY 2022 until January 2023, although AH will start making HomeFlex payments to owners for those units following each of

the financial closings. This HomeFlex funding will utilize CY 2022 Public Housing funds provided by HUD from closing until January 2023.

- Unlike MTW voucher funding, HUD provides an administrative fee for each month a non-MTW or RAD voucher is leased under a HAP contract. AH forecasts that HUD will provide \$1.8 million in Housing Choice Administration Fees, which assumes a 78% proration based on current HUD forecasts.

Public Housing Operating Subsidy (Operating Subsidy)

During FY 2022, AH projects that HUD will provide \$10.9 million in Operating Subsidy, a decrease of \$0.8 million from the FY 2021 Budget due primarily to the conversions of properties from Operating Subsidy to HCVP under RAD. Properties not converted before December 1st, continue to receive Public Housing Operating Subsidy until January 1st of the following year and then they will begin receiving Section 8 RAD funds.

HUD currently uses a 2.8% inflation factor and a preliminary proration of 96% for CY 2021. AH believes it is prudent to assume a slightly lower 2.0% inflation factor and a preliminary proration of 96% for CY 2021.

Tenant Dwelling Revenue

AH projects it will receive \$3.7 million in Tenant Dwelling Revenue from the remaining 9 AH-Owned residential communities during FY 2022. This amount reflects a \$1.9 million decrease from the FY 2021 Budget primarily due to the additional revenue that was anticipated in FY 2021 from the acquisition of new properties

which did not take place. This decrease also resulted from the loss of revenue from AH-Owned communities that converted under RAD since, until conversion, tenant rents are considered AH income.

Tenant rents are not included as AH revenue after the properties convert to RAD project-based units. Similarly, rents collected by the Owner Entities from AH-assisted residents of MIXED communities are not revenue to AH because AH does not own nor control these properties. AH provides operating subsidy to the Owner Entities of these communities for the AH-assisted units to the extent rent collected from the AH-assisted residents does not cover the operating cost attributable and related to such units, pursuant to the regulatory and operating agreements between the Owner Entities of the respective communities and AH.

National Housing Compliance (“NHC”)

During FY 2022, AH projects it will receive \$1.7million in contributions as one of the 11 members of NHC, \$0.6 million more than budgeted in FY 2021, reflecting current forecasts by NHC.

Headquartered in Atlanta, Georgia, NHC earns fees for contract administration services as HUD’s Performance Based Contract Administrator (“PBCA”) for the states of Illinois and Georgia. NHC makes periodic contributions to members based on NHC’s earned PBCA revenue in excess of NHC’s operating expenses. Over the last several years, HUD has unsuccessfully attempted to resolicit PBCA services and is expected to do so again during AH’s FY 2022.

AH reduced the forecast for NHC contributions in FY 2021 based on anticipation of an outcome adverse to NHC. The outcome of such solicitation is not expected to affect the amount of non-federal funds AH receives from NHC during FY 2022 based on NHC’s current contract with HUD.

Other Current Year Operating Revenue and Grants

During FY 2022, AH anticipates it will receive \$0.8 million from various sources, including \$0.3 million in HUD ROSS Grant funding for Family Self-Sufficiency Program Coordinators, as well as revenues from cell tower leases, non-dwelling rents and other miscellaneous revenue earned at the AH-Owned communities. This results in a reduction of \$0.3 million compared to FY 2021 when Other revenue included anticipated cash flow from newly acquired properties, which did not occur.

Non-Operating Sources of Funds

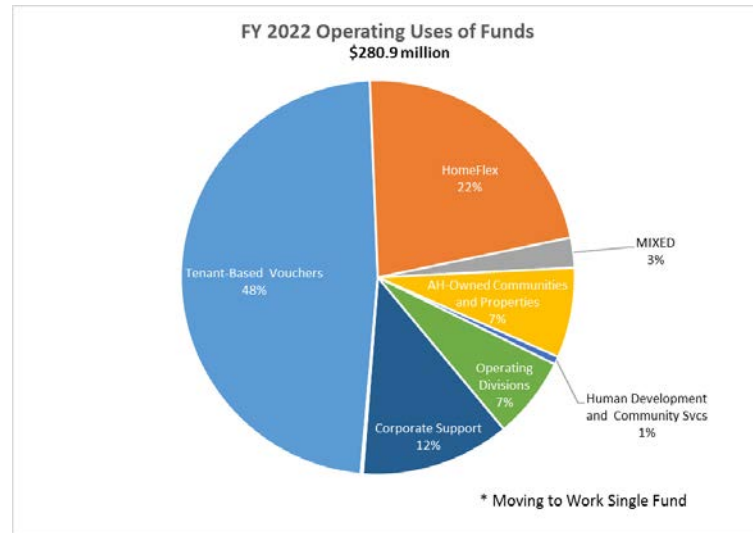
AH estimates it will earn \$1.0 million in interest income during FY 2022 from investments of surplus cash. While this appears as an increase over FY 2021, previously only income on investments of MTW and NHC funds was included in the Operating budget, with interest revenue on program income and other funds being recorded as increases to locally held cash balances. This year all income from financial investments is recorded here. Interest earned on financial investments has fallen dramatically.

Drawdown of HCV-Originated MTW Funds-held at HUD

AH continually monitors its financial positions and, where choices in using particular funds present themselves, AH's cash management principals guide the selection. For FY 2022, AH

elected to draw HCV-Originated MTW Funds-held at HUD, rather than draw additional CFP funds. These CFP funds will be held for use in future years.

FY 2022 OPERATING USES OF FUNDS



AH projects it will use \$280.9 million to support its FY 2022 Operating Budget, representing a \$24.8 million increase over the FY 2021 Budget, primarily due to increased housing assistance payments along with increased corporate support expenses.

Housing Assistance and Operating Subsidy Payments

73% of the \$280.9 million will be expended to owners, landlords and participants to provide for housing for over 21,000 families throughout Atlanta utilizing:

- Housing Choice Tenant-Based Vouchers
- HomeFlex Rental Assistance
- MIXED Communities Operating Subsidy for AH-Assisted Units

Housing Assistance and Operating Subsidy Payments	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Tenant-Based Vouchers	\$ 132,434,918	\$ 113,945,438	\$ 18,489,480	\$ 121,581,381	\$ 10,853,537
Voucher Portability Administration Fees	946,530	914,953	31,577	931,522	15,008
Short-Term Housing Assistance	400,000	700,000	(300,000)	439,314	(39,314)
Case Management and Administration of Supportive Housing Initiatives	110,000	224,000	(114,000)	128,374	(18,374)
Leasing Incentive Fee	583,400	774,500	(191,100)	286,914	296,486
Homeownership Vouchers	137,271	151,860	(14,589)	137,271	-
Property Damages	125,000	200,000	(75,000)	98,205	26,795
Tenant-Based and Homeownership Vouchers	\$ 134,737,120	\$ 116,910,751	\$ 17,826,369	\$ 123,602,981	\$ 11,134,139
HomeFlex Rental Assistance (formerly PBRA)	62,937,141	55,332,426	7,604,715	54,056,424	8,880,717
Mixed Communities Operating Subsidy for AH-Assisted Units	6,916,512	7,922,893	(1,006,381)	8,175,215	(1,258,703)
Total	\$ 204,590,773	\$ 180,166,070	\$ 24,424,703	\$ 185,834,619	\$ 18,756,153

The Budget includes \$134.7 million to support AH's Housing Choice Tenant-Based and Homeownership Voucher Program and related expenses, a \$17.8 million increase over the FY 2021 Budget, corresponding primarily to costs associated with the increased lease up activities during FY 2021 and FY 2022 to support AH's MTW Plan families served target.

The Tenant-Based and Homeownership Vouchers -Program is comprised of the following:

- Contracts providing rent assistance for 11,030 Housing Choice participant households by the end of FY 2022, a net increase of 234 vouchers, from the 10,796 vouchers projected to be leased-up by the end of FY 2021. Included in FY 2022 projected vouchers are: 9,655 households (\$119.0 million) within AH's jurisdiction and 1,375 households (\$13.4 million) for whom AH is responsible, but who reside outside AH's jurisdiction and have "ported" their voucher to that jurisdiction under HUD's voucher portability policy. In addition, AH expects to pay \$0.9 million in Voucher Portability Administrative Fees to other public housing authorities to administer these ported vouchers.
- In order to ensure AH accomplishes its goals and meets its five-year plan, AH intends to issue **573** vouchers to new eligible households drawn from its 2019 Housing Choice waiting list and also projects to absorb **120** additional participants who "port in" to Atlanta from other PHAs. These increases will be offset by an expected annual attrition of 750 vouchers due to program terminations for a variety of reasons.

- AH will continue the implementation of existing and establish new local programs by providing the following additional vouchers:
 - **109** MTW vouchers for the Tenant-Based Supportive Housing program (also known as FLOW) for individuals graduating from ShelterPlus Supportive Housing.
 - **100** MTW vouchers to be used in response to homelessness directly caused by the COVID-19 pandemic.
 - **15** MTW vouchers in cooperation with Atlanta Public Schools to house families of homeless students as part of AH's Special Program Voucher for Homeless Students ("SPVHS") to stabilize external factors that enable students' academic success.
 - **30** Veteran Affairs Supportive Housing ("VASH") vouchers. VASH is a collaborative initiative with Veterans Affairs ("VA") and HUD to provide housing for homeless disabled veterans.
 - **7** RAD Choice Mobility vouchers. Under the RAD program to convert public housing to project-based voucher communities, participants are permitted, after one year in residence, to request a regular Housing Choice voucher and rent a home outside of the community.

Also, included in the Budget is \$0.5 million to continue Short-Term Housing Assistance and case management support to renters who are not participants in other AH programs as part

of AH's Housing Stabilization Fund (which is also referred to as the "Home Again" program).

This Budget will continue to support **17** Homeownership Vouchers for \$0.1 million, which provides payments to eligible homeowners to assist them in making their monthly mortgage payments. AH is no longer issuing vouchers for this program.

The Budget also includes \$0.6 million for Leasing Incentive Fees and \$0.1 million for Property Damage reimbursements, which will be used to aid AH in negotiating rental agreements for selected hard-to-house households, where needed, and to encourage more rapid leasing.

HomeFlex Rental Assistance (See *Budget Financial Schedule II.A in Section III* of this budget book for budgets by community)

Under the auspices of AH's HomeFlex Program, an Owner Entity agrees with AH to set aside an agreed percentage of units in its housing community in exchange for long-term project-based HomeFlex assistance for such units, thereby making such units affordable to eligible low-income households.

The FY 2022 Budget includes \$62.9 million in projected HomeFlex payments, a \$7.6 million increase over the FY 2021 Budget, to support over 8,400 AH-assisted households (projected available units at end of FY 2022) at 102 participating stand alone, MIXED (including RAD converted), and supportive housing (HAVEN) communities.

This increase reflects the addition of new HomeFlex units during FY 2021 now receiving a full year of funding, as well as new HomeFlex units coming on line in FY 2022, which are further detailed in the following table.

New HomeFlex Communities	Type	Units
55 Milton	Haven	18
356 James P. Brawley Drive	Family	8
395 James P. Brawley Drive	Family	15
507 English Avenue	Family	6
588 and 592 Paines Avenue	Family	8
687 and 693 Dalvigney		
613 Echo Street	Family	8
Abbingtion at Ormewood Park	Haven	8
Capitol View	Haven/Family	67
Covenant House Georgia	Haven	30
Herndon Square - Senior (Ph1)	Family	97
London Townhomes	Family	150
Quest Courts at Dalvigney	Haven	12
Quest Holly Apts	Senior	40
		467
RAD	Type	Units
Barge Road High-rise	Senior	129
Columbia Village	Family	30
Villages of Castleberry Hills II	Family	114
		273

The HomeFlex Budget also includes \$1.7 million in contingency funds for potential rent increases which community owners are allowed to request under the HomeFlex agreement.

MIXED Communities Operating Subsidy for AH-Assisted Units (*See Budget Financial Schedule II.B in Section III of this budget book for budgets by community*)

Each AH-sponsored MIXED community is owned by a public/private partnership. As a part of the development agreement, AH provides operating subsidy for AH-assisted units. The Budget includes \$6.9 million in operating subsidy payments to support up to 1,562 households during FY 2022 at 25 AH-sponsored MIXED communities. It is projected that the 114 units at Villages of Castleberry Hills II, identified in the chart above, will convert to RAD HomeFlex subsidy during FY 2022.

Also, included in the FY 2022 Budget is a capital reserve contingency totaling \$0.1 million to support potential capital expenditure requests from community owners.

Operating Expense for AH-Owned Residential Communities & Other AH Properties	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	2021 Forecast	FY 2022B Over (Under) FY 2021F
AH-Owned Residential Communities					
Barge Road Highrise	\$ 624,707	\$ 1,061,175	\$ (436,468)	\$ 1,023,272	\$ (398,566)
Cheshire Bridge Road Highrise	1,506,367	1,395,585	110,781	1,333,386	172,981
Cosby Spear Highrise	2,346,935	2,271,572	75,363	2,198,026	148,909
East Lake Highrise	1,054,845	1,026,012	28,832	946,419	108,426
Georgia Avenue Highrise	955,894	811,236	144,658	762,119	193,775
Hightower Manor Highrise	533,225	902,293	(369,068)	942,879	(409,654)
Marian Road Highrise	1,941,980	1,754,626	187,354	1,746,092	195,888
Martin Street Plaza	928,061	709,437	218,624	718,792	209,270
Westminster	375,539	347,400	28,139	237,778	137,761
Total AH-Owned Residential Communities	10,267,551	10,279,336	(11,785)	9,908,762	358,789
Other AH Properties					
AH Headquarters Building	1,391,518	1,351,508	40,010	563,305	828,213
Zell Miller Center	174,683	208,982	(34,299)	84,754	89,929
Civic Center	1,282,271	718,800	563,471	299,417	982,854
Property Acquisition #1	-	565,414	(565,414)	403,867	(403,867)
Property Acquisition #2	-	268,800	(268,800)	149,332	(149,332)
Roosevelt Hall	728,199	-	728,199	-	728,199
Other Property Expenses					
PILOT	298,376	411,849	(144,464)	171,604	2,377,324
Maintenance Expense	620,641	1,114,799	(156,249)	446,085	2,736,113
Total Other AH Properties	4,495,688	4,640,152	(144,464)	2,118,364	2,377,324
Total	\$ 14,763,239	\$ 14,919,488	\$ (156,249)	\$ 12,027,126	\$ 2,736,113

Operating Expense for AH-Owned Residential Communities and Other AH Properties

AH projects to spend \$10.3 million to operate AH-owned residential communities, essentially the same spending level as FY 2021 Budget, but resulting from the following:

- Partial year funding for Barge Road Highrise and Hightower Manor Highrise since they will convert under RAD during the year.
- Offsetting increases in expenses at other AH-Owned Residential Communities.

In addition, the Budget provides for a total of \$4.5 million to maintain other AH properties, including property maintenance and protective services at AH Headquarters, Zell Miller Community Center, the Civic Center and vacant properties. It also includes Payment in Lieu of Taxes (“PILOT”) paid on properties that are no longer AH-Owned communities, but for which AH remains responsible. The FY 2022 Budget for these other AH properties is essentially the same as FY 2021.

Capital Expenditures for Modernization of AH-Owned Residential Communities and Other AH Properties

AH projects it will spend \$1.9 million in FY 2022 to make critical and necessary capital improvements to preserve the physical

conditions of its AH-Owned residential communities most of which are not subject to an imminent RAD conversion. This represents an increase of \$0.6 million over the FY 2021 Budget to address health, safety and emergency work at certain communities.

Capital Expenditures for Modernization of AH-Owned Residential Communities & AH Headquarters	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
AH-Owned Residential Communities					
Cheshire Bridge Road Highrise	\$ 238,927	\$ 189,200	\$ 49,727	\$ 278,388	\$ (39,461)
Cosby Spear Highrise	125,520	254,100	(128,580)	183,889	(58,369)
East Lake Highrise	94,745	97,900	(3,155)	102,367	(7,622)
Georgia Avenue Highrise	161,120	15,598	145,522	16,112	145,008
Hightower Manor Highrise	136,418	86,900	49,518	170,097	(33,679)
Marian Road Highrise	761,365	1,517,828	(756,463)	1,068,041	(306,676)
Martin Street Plaza	90,200	80,300	9,900	84,533	5,667
Roosevelt Hall	120,000	-	120,000	-	120,000
Westminster	147,937	215,050	(67,113)	215,050	(67,113)
Total AH-Owned Residential Communities	1,876,232	2,456,876	(580,644)	2,118,476	(242,244)
Zell Miller	566,600	129,000	437,600	103,109	463,492
Civic Center	110,000	-	110,000	135,181	(25,181)
AH Headquarters					
Technology Investments	1,010,000	760,000	250,000	888,894	121,106
Vehicles	100,250	419,488	(319,238)	175,081	(74,831)
Building Improvements and Equipment	2,322,700	3,144,200	(821,500)	3,640,363	(1,317,663)
Total AH Headquarters	3,432,950	4,323,688	(890,738)	4,704,338	(1,271,388)
Total	\$ 5,985,782	\$ 6,909,564	\$ (923,782)	\$ 7,061,104	\$ (1,075,322)

The Budget includes \$0.6 million for renovations at the Zell Miller center, where AH human development support team provides its services to families we serve.

In addition, \$0.1 million is budgeted for preventive maintenance and repair of the Civic Center while a master plan is completed for its future development.

AH also projects it will spend \$1.0 million during FY 2022 for various technology investments to maintain and optimize AH's enterprise-wide operations. AH plans to replace much of its aging fleet with new vehicles, and will complete the restructure of the interior of the AH Headquarters building to match the new paradigm following the COVID-19 epidemic.

Impact of Capital Expenditures on Future Operating Budgets

With the exception of savings on maintenance and repair of vehicles in FY 2022, it is projected that these capital improvements will have little or no impact on future operating budgets, which will be affected far more by the conversions to RAD HomeFlex, where AH does not directly own the properties.

Human Development, Supportive Housing Services and Community Relations

The FY 2022 Human Development budget supports continued case management for families that are not compliant with AH's work requirements, the Good Neighbor training program, Aging Well programs for seniors, supportive services and activities for youth, which are primarily provided through contracted service providers.

AH projects total spending of \$1.8 million, a \$0.3 million decrease from the FY 2021 Budget. These services are in addition to those provided directly by private management and development companies at AH-Owned residential communities and by AH's Human Development department.

In addition to general Human Development Support, the Budget also provides funds for community relations and a non-federal match from employee contributions to AH's Scholarship Fund.

Human Development, Supportive Housing Services, and Community Relations	Managed by	FY 2022 Budget	FY 2021 Budget	FY 2022B		FY 2022B	
				Over (Under) FY 2021B	FY 2021 Forecast	Over (Under) FY 2021F	
Human Development Support Professional Services□	Human Development	\$ 1,669,325	\$ 1,971,553	\$ (302,228)	\$ 1,373,062	\$ 296,263	
Community Relations - MTW funds□	Governmental and External Affairs□	103,800	116,000	(12,200)	24,741	79,059	
Community Relations - Non-federal funds□	Governmental and External Affairs□	44,000	32,500	11,500	28,465	15,535	
Corporate Match for AHA Scholarship Fund - Non-federal funds	Governmental and External Affairs□	20,000	20,000	-	20,000	-	
Total		\$ 1,837,125	\$ 2,140,053	\$ (302,928)	\$ 1,446,268	\$ 390,857	

Operating Divisions

The Budget includes \$18.9 million for AH's Operating Divisions. A summary of the Operating Divisions is provided below and shows virtually the same amount as the FY 2021 Budget, although staff restructuring occurred including transfer of positions to

Corporate Support Expense. For a complete analysis of each department, including organization, mission, staffing and goals, see the *Department Information in Section II* of this budget book.

Operating Divisions	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Housing Choice Voucher Program					
Housing Choice Administration	\$ 1,688,367	\$ 1,748,902	\$ (60,535)	\$ 1,636,507	\$ 51,860
Housing Choice Contact Center	1,298,481	1,205,912	92,569	1,174,899	123,582
Housing Services	3,125,671	2,925,267	200,404	2,793,016	332,655
Inspections Services	2,570,967	2,505,928	65,039	2,465,197	105,770
Total Housing Choice Voucher Program	8,683,486	8,386,009	297,477	8,069,620	613,866
Real Estate Operations	4,255,361	4,731,724	(476,363)	4,221,538	33,823
Construction and Facilities Management	2,691,694	2,483,689	208,005	1,690,825	1,000,869
Total Operating Divisions before Development-related Expenses	15,630,541	15,601,421	29,119	13,981,982	1,648,558
Development & Revitalization Operational Expenses					
Real Estate Planning & Development	2,806,141	2,853,964	(47,823)	2,127,150	678,991
Choice Neighborhoods Administration	420,230	391,303	28,927	378,058	42,172
Total Development-Related Operational Expenses	3,226,371	3,245,267	(18,896)	2,505,208	721,163
Total Operating Divisions Expenses	\$ 18,856,912	\$ 18,846,688	\$ 10,223	\$ 16,487,190	\$ 2,369,721

Corporate Support Expense

The Budget provides \$34.4 million for Corporate Support Expense, a \$2.0 million increase from the FY 2021 Budget, primarily due to

the transfer of Real Estate Financial Management staff to Corporate Finance and increased technological support for operations.

Corporate Support	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Executive Office	\$ 1,444,687	1,074,111	\$ 370,576	741,767	\$ 702,920
Office of General Counsel	3,967,655	4,287,464	(319,809)	3,464,909	502,746
Corporate Finance	4,271,933	3,096,421	1,175,512	3,058,917	1,213,016
Information Technology	10,049,653	9,050,913	998,740	6,712,165	3,337,488
Records & Information Management	1,792,544	1,860,152	(67,608)	1,300,572	491,972
Strategy, Policy & Regulatory Affairs (including PMO)	2,858,944	3,025,347	(166,403)	2,712,080	146,864
Governmental and External Affairs (including HDS)	2,576,532	2,312,942	263,590	2,401,627	174,905
Communications, Marketing and Public Engagement	1,584,341	1,460,016	124,326	1,278,480	305,861
Contracts and Procurement	2,070,829	1,926,326	144,503	1,853,687	217,142
Human Resources Operations	2,073,933	2,085,109	(11,176)	974,691	1,099,242
Activities Managed by Human Resources:					
Severance & Related Expenses	85,000	85,000	-	27,500	57,500
Agency-wide Temporary Services	236,979	236,979	-	75,100	161,879
Professional Development & Training	1,431,107	883,708	547,399	428,633	1,002,474
Compensation Market Adjustments	-	500,000	(500,000)	-	-
Retirement Plan Consulting Services	-	144,250	(144,250)	207,022	(207,022)
Defined Benefit Pension Plan Contribution	-	460,000	(460,000)	460,000	(460,000)
Total	\$ 34,444,137	\$ 32,488,737	\$ 1,955,400	\$ 25,697,151	\$ 8,746,986

FY 2022 Proposed Budget

The FY 2021 Budget included a contingency for compensation market adjustments of \$0.5 million, which has been allocated to the appropriate Direct Operating and Corporate Support Expense departments. The FY 2021 Budget also included a \$0.5 million additional cash contribution to the Defined Benefit Pension Plan (“Plan”) and \$0.1 million in Retirement Plan Consulting Services to ensure the successful Plan termination, which was effective April 1, 2020 with a distribution date of October 1, 2020.

A summary of Corporate Support Departments is provided below along with personnel and non-personnel expenses. For a complete analysis of each department including organization, mission, staffing and goals, see the *Department Information in Section II* of this budget book.

FY 2022 Staffing Budget

The FY 2022 Budget includes salaries and benefits for 358 full time employees, two more positions (see chart on this page) than the FY 2021 Budget headcount, and representing an increase of 35 over current headcount (FY 2021 Forecast). Details can be found in the *Department Information in Section II* of this budget book.

AH also has two temporary intern positions on its staff to provide additional flexibility, and usually hires, annually, up to 21 interns during the summer; students hired from assisted families through AH programs.

The Budget assumes an average merit increase of 3% for full time employees, effective July 1, 2020, based on comparable pay raises for other Georgia government organizations.

The Housing Authority of the City of Atlanta, Georgia

Department	Year Over Year Full Time Employees			
	FY 2022 Budget	FY 2021 Budget	FY 2021 Forecast	FY 2020 Actual
Operating Division				
Housing Choice Voucher Program				
Housing Choice Administration	16	20	16	17
Housing Choice Contact Center	19	19	18	18
Housing Services	35	34	35	32
Inspection Services	29	29	29	29
Total Housing Choice Voucher Program	99	102	98	96
Other Operating Divisions				
Real Estate Operations	33	38	31	31
Real Estate Planning & Development	21	21	16	14
Construction & Facilities Management	23	23	17	11
Total Other Operating Divisions	77	82	64	56
Total Operating Division	176	184	162	152
Corporate Support				
Executive Office	4	4	4	3
Office of General Counsel	18	17	14	12
Corporate Finance	21	17	21	16
Information Management	52	47	42	46
Strategy, Policy & Regulatory Affairs	13	14	13	12
Governmental, External Affairs & Human Development	23	22	23	22
Communications, Marketing & Public Engagement	10	10	8	8
Contract and Procurement	17	17	16	14
Human Resources	11	11	8	9
Total Corporate Support	169	159	149	142
Choice Neighborhoods	13	13	12	12
Total	358	356	323	306

*Headcount at June 30, 2020 (FY 2020 Actual) and at May 31, 2021 (FY 2021 Forecast) represent the number of full time employees on AH's payroll, while FY 2022 and FY 2021 Budgets represent the total number of positions including vacants.

The Budget also provides for employer-paid benefits at the same employee/employer ratio as FY 2021 and a projected 14% increase in major health care plan costs during the last six months of FY 2022 based on expected inflation and current plan performance.

Employee Compensation Special Funding Restrictions

The 2016 Appropriations Act restricts the use of Public Housing Operating Subsidy, Capital Fund Program and Housing Choice Voucher Program funds for the payment of salaries to employees of local housing authorities who earn in excess of \$172,500. AH projects it will pay approximately

\$0.8 million during FY 2022 in excess of the Congressional limit in connection with salaries paid during calendar year 2021. In accordance with the guidance from HUD, AH will continue to pay this excess compensation from non-federal sources.

Debt Service on Energy Performance Contract (“EPC”) Capital Lease

AH’s current long-term debt consists of the balance owed on its EPC Capital Lease. An Energy Performance Contract (“EPC”) is part of a HUD-sponsored program designed to incent local housing authorities to undertake energy-saving improvements at their properties. HUD allows such agencies to freeze the consumption base used to determine their utility funding at an agreed preconstruction level for up to 20 years, so that the savings from such improvements can be used to finance the cost of water and energy conservation improvements. The EPC structure facilitates financing for the improvements to be repaid through future energy savings resulting from the improvements.

In FY 2012, AH entered into an Energy Performance Contract, which used a \$9.1 million EPC capital lease along with \$2.2 million of supplemental MTW funds to further implement energy conservation and efficiency solutions at the AH-owned residential communities. These improvements were substantially completed in FY 2015.

As AH converts properties with EPC-funded improvements to HomeFlex under HUD’s RAD program, it pays off the pro rata share of the loan balance related to the property. In FY 2017, AH aid off the portion of the loan related to Juniper and Tenth, in FY

2018 Piedmont Road was paid off, and in FY 2019 loans for Peachtree Road and Marietta Road Highrises were paid off.

The FY 2022 Operating Budget includes \$0.3 million to cover FY 2022 principal and interest payment.

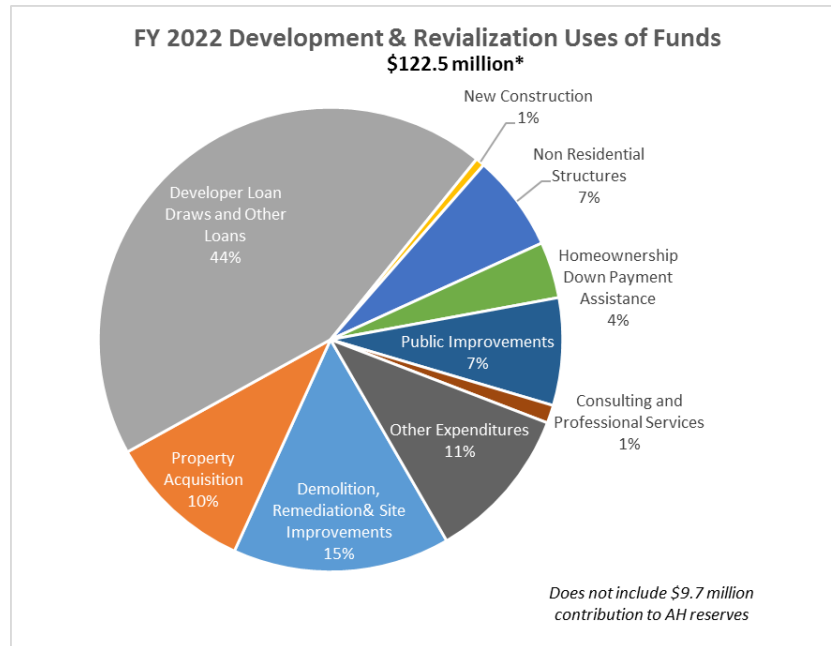
The EPC capital lease bears interest at 4.98% and has a term of 20 years. The outstanding balance, as well as expected payments under the EPC Capital Lease for the remaining nine (9) AH-owned communities, is presented below.

EPC expected payments*				
Payment Date	payment	interest	principal	outstanding
2/28/2022	207,966.70	85,603.95	122,362.75	1,596,591.72
2/28/2023	209,460.59	79,510.28	129,950.31	1,466,641.41
2/28/2024	209,720.77	73,038.78	136,682.01	1,329,959.40
2/28/2025	210,289.55	66,231.99	144,057.56	1,185,901.84
2/28/2026	212,848.98	59,057.92	153,791.08	1,032,110.76
2/28/2027	213,926.52	51,399.13	162,527.39	869,583.37
2/28/2028	214,250.48	43,305.26	170,945.22	698,638.15
2/28/2029	213,974.52	34,972.19	179,182.33	519,455.82
2/28/2030	219,110.73	25,868.91	193,241.82	326,214.00
2/28/2031	219,670.50	16,245.46	203,425.04	122,788.96
8/28/2031	125,846.51	3,057.45	122,788.96	(0.00)
*This schedule reflects principal and interest payments if all loans remain to maturity				

DEVELOPMENT AND REVITALIZATION BUDGET – SOURCES AND USES

Development and Revitalization	FY 2022 Budget	FY 2021 Budget	FY 2022B Over (Under) FY 2021B	FY 2021 Forecast	FY 2022B Over (Under) FY 2021F
Sources of Funds					
Choice Neighborhoods Implementation Grant (CNIG)	\$ 13,726,000	\$ 8,749,771	\$ 4,976,229	\$ 2,330,449	\$ 11,395,551
Program Income and Other Funds	1,770,000	25,000	1,745,000	26,528	1,743,472
Public Improvement Funds Provided by the City of Atlanta and Other City Agencies	1,858,259	1,358,559	499,700	-	1,858,259
CFP Funds used for Revitalization	35,324,913	27,169,253	8,155,660	2,695,915	32,628,998
MTW Funds used for Revitalization	69,870,042	97,478,554	(27,608,511)	27,121,931	42,748,111
Total Sources of Funds	\$ 122,549,214	\$ 134,781,137	\$ (12,231,922)	\$ 32,174,823	\$ 90,374,391
Development and Revitalization Expenditures					
Demolition and Remediation	\$ 2,696,500	\$ 2,533,390	\$ 163,110	\$ 533,046	\$ 2,163,454
Property Acquisitions	13,445,000	44,093,355	(30,648,355)	7,791,492	5,653,508
Predevelopment Loans	4,236,774	7,174,574	(2,937,801)	2,124,319	2,112,455
Developer Loan Draws and Other Loans	53,760,979	43,342,002	10,418,977	6,638,152	47,122,827
Site Improvements	17,104,685	4,887,408	12,217,277	224,836	16,879,849
New Construction	476,352	-	476,352	-	476,352
Furniture, Fixtures & Equipment	350,000	-	350,000	-	350,000
Extraordinary Sitework	203,191	-	203,191	-	203,191
Non Residential Structures	8,890,436	8,110,000	780,436	2,441,079	6,449,357
Homeownership Down Payment Assistance	5,180,000	3,794,800	1,385,200	6,084,779	(904,779)
Public Improvements	9,895,011	9,120,430	774,581	562,973	9,332,038
Consulting and Professional Services	3,672,896	5,367,502	(1,694,606)	2,205,589	1,467,306
Outside Legal Counsel	351,367	1,497,500	(1,146,133)	239,971	111,396
Administrative Staffing	1,305,719	1,069,302	236,417	1,042,468	263,251
Meeting Expense	18,503	30,000	(11,497)	6,000	12,503
Community Outreach	45,000	155,100	(110,100)	15,000	30,000
Modular Office Expenses	88,302	141,424	(53,122)	180,624	(92,322)
Owner Occupied Rehabs	550,000	650,000	(100,000)	417,686	132,314
Relocation Expense	60,000	400,000	(340,000)	-	60,000
EPC Capital Lease Repayment	-	2,300,000	(2,300,000)	1,500,000	22,952
Micro-Grants and Cash Donations	120,000	90,000	30,000	43,333	76,667
Other Expenses	98,500	24,350	74,150	123,476	(24,976)
Total Development and Revitalization Expenditures (including operations)	\$ 122,549,214	\$ 134,781,137	\$ (12,231,922)	\$ 32,174,823	\$ 90,374,391

FY 2022 DEVELOPMENT AND REVITALIZATION **SOURCES OF FUNDS**



AH plans to use a combination of MTW funds, Capital Funds Program (“CFP”) and Choice Neighborhoods grants, program income funds accumulated in previous years and Public Improvement funds from the City of Atlanta and other City agencies to leverage private sources of funds raised by its private-sector development partners to advance its development and revitalization activities.

Drawdown of HCV-Originated MTW Funds Held at HUD

Since 2012, HUD has permitted AH to draw only enough each month to meet MTW-authorized expenditures. AH draws all

obligated public housing operating subsidy, enough CFP funds to meet statutory deadlines for obligation and expenditure of those funds, and enough HCV funds to cover the remaining expenditures. The balance of obligated but unused HCV funds, estimated to reach \$123.0 million by the end of FY 2021, remains on account at HUD and can be drawn down by AH when future qualifying expenditures exceed the annual obligations.

AH’s FY 2022 development and revitalization program is expected to require \$69.9 million in MTW funds (excluding CFP), which will be drawn from the \$123.0 million held at HUD.

Choice Neighborhoods Implementation Grant (“CNIG”)

On September 28, 2015, AH and the City of Atlanta were awarded \$30.0 million from HUD as part of a Choice Neighborhoods Implementation Grant (“CNIG”). These funds are to be utilized before September 2022 to redevelop the former University Homes public housing site and to revitalize the three surrounding neighborhoods of Ashview Heights, Atlanta University Center Neighborhood, and Vine City (collectively known as the “University Choice Neighborhoods” or “UCN”).

During FY 2022, AH will continue to refine its approach to developing and implementing its Housing Development Plans in collaboration with the HUD Choice team and its development partners as is necessary to address its modified UCN milestones for CY 2021 through 2022.

AH projects to use \$13.7 million of the CNIG to fund part of the \$53.5 million total expenditures planned for this project in FY 2022, the remaining being funded by a combination of MTW, CFP and Program Income funds. (NOTE: Although CFP funds are a component of the MTW Single fund, CFP funds were specifically identified as a funding source in the Choice Neighborhoods grant agreement and are, therefore, singled out in this section.)

Development-related Income

During FY 2022, AH projects to earn a total of \$4.4 million in development and other related income, a decrease of \$1.6 million from the FY 2021 Budget, primarily due to the number and types of closings and related fees earned. FY 2022 Development-related Income is comprised of the following:

- Asset management fees of \$0.9 million.
- Profit participation and share appreciation of \$0.7 million related to home and land sales on former AH West Highlands (Perry) property.
- Developer and transaction fee payments totaling \$2.3 million from AH's participation in property development from prior years and during FY 2022. AH projects it will receive payments of developer and transaction fees as part of the closing at Hightower Manor and will earn transaction fees at closings of other loans.
- \$0.5 million in various other development-related income.

City of Atlanta Funds

In prior years, the City of Atlanta and Other City Agencies have issued bonds or otherwise raised money and provided these funds to AH for public improvements at AH revitalization properties. These funds are typically restricted to specific properties, and are used as circumstances permit. In FY 2022, AH projects to use \$1.4 million of these funds for public improvements at Centennial Place.

Capital Fund Program

HUD establishes Capital Fund Program (“CFP”) budgets at the time of annual grant awards based on the amount funded by Congress and the characteristics of public-housing-assisted units subsidized by AH under its Public Housing Annual Contributions Contract with HUD, as amended. While Capital Fund Program funds are part of the MTW Single Fund, HUD disburses to AH on an as-requested basis and AH must normally expend each annual grant within four years of its award. Under provisions of the CARES Act, HUD has extended the expenditure deadlines for many awards by one additional year. In FY 2022, AH plans to draw \$35.3 million in CFP funds for operating and capital activities.

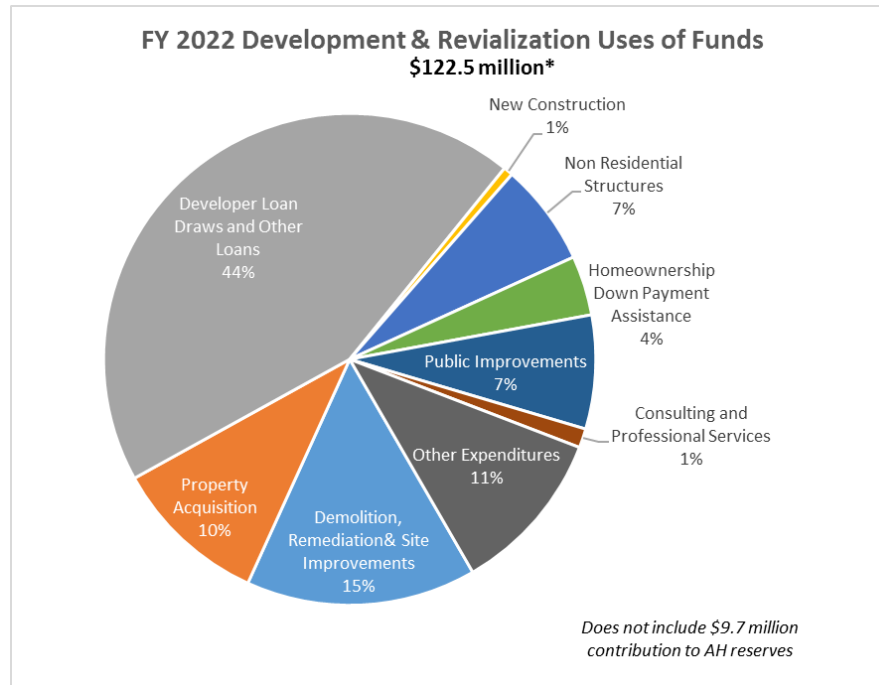
HUD is expected to award a new 2022 Capital Fund Program grant to AH during FY 2022, but these funds will not be used in FY 2022 and will remain available for future spending, together with available funds as shown in the table below

Capital Fund Program (CFP) Grant Awards						Available at HUD as of
Grant #	FFY	Obligate by	Disburse by	Authorized	Prior Disbursed	June 30, 2021
GA01P006501-17	2017	2/15/2021	2/15/2023	10,408,220	(1,005,965)	9,071,718
GA01P006501-18	2018	11/28/2021	11/28/2023	16,140,505	-	16,140,505
GA01P006501-19	2019	10/15/2022	10/15/2024	16,398,914	(287,472)	16,111,442
GA01E006501-19 *	2019	1/14/2022	1/14/2023	247,000	-	247,000
GA01P006501-20	2020	9/25/2023	9/25/2025	16,689,508	-	16,689,508
GA01P006501-21	2021	2/22/2023	2/22/2025	14,130,801	-	14,130,801
Total				74,014,948	(1,293,437)	72,390,974

DEVELOPMENT AND REVITALIZATION

Development and Revitalization by Major Program	Co-investment and New Initiatives	Choice Neighborhoods	RAD Revitalization*	Site Acquisitions and Development**	Other Development***	Total Budget
Sources of Funds						
Choice Neighborhoods Implementation Grant (CNIG)	\$ -	\$ 13,471,500	\$ -	\$ -	\$ 254,500	\$ 13,726,000
Program Income and Other Funds	-	1,651,500	-	-	118,500	1,770,000
Public Improvement Funds Provided by the City of Atlanta and Other City Agencies	-	499,700	-	-	1,358,559	1,858,259
CFP Funds used for Revitalization	-	25,017,599	-	10,201,164	106,150	35,324,913
MTW Funds used for Revitalization	15,999,075	12,893,302	3,328,849	19,905,211	17,743,606	69,870,042
Total Sources of Funds	\$ 15,999,075	\$ 53,533,601	\$ 3,328,849	\$ 30,106,375	\$ 19,581,315	\$ 122,549,214
Development and Revitalization Expenditures						
Demolition and Remediation	\$ 26,000	\$ 33,500	\$ 52,500	\$ 7,500	\$ 2,577,000	\$ 2,696,500
Property Acquisitions	2,550,000	500,000	-	10,395,000	-	13,445,000
Predevelopment Loans	754,776	307,344	-	2,710,012	464,642	4,236,774
Developer Loan Draws and Other Loans	12,530,983	29,092,448	3,240,028	6,627,175	2,270,345	53,760,979
Site Improvements	-	10,285,963	-	2,045,305	4,773,417	17,104,685
New Construction	-	-	-	-	476,352	476,352
Furniture, Fixtures & Equipment	-	350,000	-	-	-	350,000
Extraordinary Sitework	-	-	-	203,191	-	203,191
Non Residential Structures	-	8,707,120	-	-	183,316	8,890,436
Homeownership Down Payment Assistance	-	180,000	-	-	5,000,000	5,180,000
Public Improvements	-	289,175	-	7,056,599	2,549,237	9,895,011
Consulting and Professional Services	75,000	1,504,027	-	994,009	1,099,860	3,672,896
Outside Legal Counsel	39,816	110,000	15,321	61,584	124,646	351,367
Administrative Staffing	-	1,305,719	-	-	-	1,305,719
Meeting Expense	-	18,503	-	-	-	18,503
Community Outreach	10,000	10,000	-	-	25,000	45,000
Modular Office Expenses	-	88,302	-	-	-	88,302
Owner Occupied Rehabs	-	550,000	-	-	-	550,000
Relocation Expense	-	60,000	-	-	-	60,000
Other Development-related Operational Expenses	-	-	-	-	-	-
Micro-Grants and Cash Donations	-	120,000	-	-	-	120,000
Other Expenses	12,500	21,500	21,000	6,000	37,500	98,500
Total Development and Revitalization Expenditures	\$ 15,999,075	\$ 53,533,601	\$ 3,328,849	\$ 30,106,375	\$ 19,581,315	\$ 122,549,214

DEVELOPMENT AND REVITALIZATION USES OF FUNDS



AH projects it will spend \$122.5 million on development and revitalization initiatives in FY 2022, a \$12.2 million decrease from the FY 2021 Budget. The main components of the FY 2022 Budget are comprised of the following programs and activities.

Co-investment and New Initiatives. AH currently has reserves which can be used to catalyze affordable housing and mixed-income communities. To utilize these monies, AH has developed a co-investment framework to invest its funds to support development initiatives as an integrated and collaborative strategy

to support affordable housing production in the City of Atlanta. It allows AH to leverage external resources from public sources, developers, community and economic development organizations, philanthropists, and other sources to expand the production of affordable housing and mixed income communities. It also takes advantage of AH's ability to make investments at almost any point in the development process, from acquisition to pre-development through construction and permanent financing. This flexibility allows AH's co-investment to partner with other public agencies to close gaps that would otherwise prevent a viable project from moving forward. By partnering with organizations in this manner, AH leverages and increases the impact of its own investments.

The Budget includes \$16.0 million in co-investment and new initiatives, of which \$12.1 million is for co-investment with Invest Atlanta for the development or rehabilitation of communities in the City of Atlanta, including Harmony at Bakers Ferry, London Townhomes, and Heritage Village at West Lake. In addition, \$2.2 million is budgeted for the development of Madison at Reynoldstown (890 Memorial Drive) under the Atlanta Beltline co-investment agreement. The remaining \$1.7 million will support development of additional properties currently at various stages of planning. Examples of development partnership through the Co-Investment program include:

- Support the conversion of the existing townhome cooperative community of London Townhomes to multi-family affordable housing units.

- Acquire and convert a vacant commercial building to a 100% affordable supportive housing community at Heritage Village at West Lake.
- Acquire certain properties such as Village at Stone Hogan and Flats at Stone Hogan.

Choice Neighborhoods activities are budgeted at \$53.5 million. In addition to CNIG funds, AH intends to expend a combination of MTW funds, CFP funds, and program income funds towards the transformation of University Choice Neighborhoods and towards the accomplishment of each of the components of the project, which are further represented below.

- The People Component includes various human development and support programs in partnership with the Urban League and United Way, among others.

The FY 2022 Housing Component Budget contemplates the construction of Ashley IC and Ashley Phase II.

- Included in the Neighborhood Component are the Roosevelt Hall building renovations and owner-occupied rehabilitation for qualifying homeowners with income of less than 80% AMI.

	Admin & Evaluation		People	Housing	Neighborhood	Total
CN Grant	\$	574,010	\$ 840,014	\$ 10,461,194	\$ 1,848,570	\$ 13,723,788
MTW		624,924	518,571	2,776,137	8,427,966	12,347,598
CFP				25,017,598	292,000	25,309,598
Program Income				1,600,000	-	1,600,000
City				-	499,700	499,700
Non-Federal		1,500	50,000	-		51,500
Totals	\$	1,200,434	\$ 1,408,585	\$ 39,854,929	\$ 11,068,236	\$ 53,532,184

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Rental Assistance Demonstration (RAD) by Community	Barge Road Highrise	Columbia Portfolio	Cosby Spear Highrise	East Lake Highrise	Hightower Manor Highrise	Westminster Avenue Highrise	Villages at Castleberry Hill II	Total Budget
Sources of Funds								
MTW Funds Used for Revitalization	\$ 1,000	\$ 335,349	\$ 10,500	\$ 10,500	\$ 2,960,000	\$ 10,500	\$ 1,000	\$ 3,328,849
Total Sources of Funds	\$ 1,000	\$ 335,349	\$ 10,500	\$ 10,500	\$ 2,960,000	\$ 10,500	\$ 1,000	\$ 3,328,849
Development and Revitalization Expenditures								
Demolition and Remediation	\$ -	\$ 30,000	\$ 7,500	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ 52,500
Developer Loan Draws and Other Loans	-	290,028	-	-	2,950,000	-	-	3,240,028
Outside Legal Counsel	1,000	3,321	-	-	10,000	-	1,000	15,321
Other Expenses	-	12,000	3,000	3,000	-	3,000	-	21,000
Total Development and Revitalization Expenditures	\$ 1,000	\$ 335,349	\$ 10,500	\$ 10,500	\$ 2,960,000	\$ 10,500	\$ 1,000	\$ 3,328,849

RAD Conversions. The Budget provides \$3.3 million for predevelopment loans, development loans and related outside legal counsel expenses for the conversion of communities currently managed under public housing regulations to RAD HomeFlex as well as repayments of the portion of the EPC loan for the AH-Owned communities.

During FY 2022, RAD conversion are planned for Barge Road and Hightower Manor Highrises, and Villages at Castleberry Hill II. Additional funds are budgeted to support completed conversions and conversions planned for FY 23.

Site Acquisitions and Development. The Budget includes \$30.1 million for the development of former AH public housing or acquired sites. It includes the active development of two of eleven former public housing communities, which AH closed and demolished in the last decade: Herndon Homes and Englewood Manor.

AH will also provide funds for the continued revitalization of London Townhomes.

In addition to the active development activities, AH also plans to acquire properties to be incorporated into future phases of the master redevelopment plan of the former Englewood Manor public housing site, to be known as Chosewood Park Phases I and II.

Site Acquisitions and Development	Chosewood Park I & II	Englewood Manor	Heritage Village at West Lake	Herndon Homes	London Townhomes	Total Budget
Sources of Funds						
CFP Funds Used for Revitalization	\$ -	\$ 7,629,715	\$ -	\$ 2,571,449	\$ -	\$ 10,201,164
MTW Funds Used for Revitalization	6,579,720	2,006,619	4,838,376	686,655	5,793,841	19,905,211
Total Sources of Funds	\$ 6,579,720	\$ 9,636,334	\$ 4,838,376	\$ 3,258,104	\$ 5,793,841	\$ 30,106,375
Development and Revitalization Expenditures						
Demolition and Remediation	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
Property Acquisitions	6,545,000	-	3,850,000	-	-	10,395,000
Predevelopment Loans	-	1,970,119	125,258	614,635	-	2,710,012
Developer Loan Draws and Other Loans	-	-	833,334	-	5,793,841	6,627,175
Site Improvements	-	2,045,305	-	-	-	2,045,305
Extraordinary Sitework	-	-	-	203,191	-	203,191
Public Improvements	-	4,688,341	-	2,368,258	-	7,056,599
Consulting and Professional Services	14,720	904,569	20,000	54,720	-	994,009
Outside Legal Counsel	20,000	25,000	9,784	6,800	-	61,584
Other Expenses	-	3,000	-	3,000	-	6,000
Total Development and Revitalization Expenditures	\$ 6,579,720	\$ 9,636,334	\$ 4,838,376	\$ 3,258,104	\$ 5,793,841	\$ 30,106,375

Other Development Activities. The FY 2022 Budget also includes \$17.1 million for:

- **Magnolia Perimeter** This site includes 30 land parcels for which AH issued a request for proposal (RFP) and selected developers in FY 2021 to develop the properties to include affordable housing.
- **Centennial Place** includes \$1.4 million for public improvements at Centennial North.
- **West Highlands** includes \$1.0 million for the former Perry Homes site for greenspace, common area, and detention pond repairs.

- **Civic Center** has a budget of \$1.3 million for environmental assessment and remediation, as well as for analysis and planning for the future of this site.

Other Development Activities	Bankhead Courts	Bowen Homes	Centennial Place	Civic Center	Magnolia Perimeter	West Highlands	Other Development	Total Budget
Sources of Funds								
Program Income and Other Funds	\$ -	\$ 118,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,500
Public Improvement Funds Provided by the City of Atlanta and Other City Agencies	-	-	1,358,559	-	-	-	-	1,358,559
Choice Neighborhoods Implementation Grant	-	254,500	-	-	-	-	-	254,500
CFP Funds Used for Revitalization	106,150	-	-	-	-	-	-	106,150
MTW Funds Used for Revitalization	11,162	552,456	-	4,999,291	3,171,383	2,501,578	6,507,736	17,743,606
Total Sources of Funds	\$ 117,312	\$ 925,456	\$ 1,358,559	\$ 4,999,291	\$ 3,171,383	\$ 2,501,578	\$ 6,507,736	\$ 19,581,315
Development and Revitalization Expenditures								
Demolition and Remediation	\$ -	\$ 203,500	\$ -	\$ 1,050,000	\$ 315,000	\$ 20,000	\$ 988,500	\$ 2,577,000
Predevelopment Loans	-	-	-	-	40,706	-	423,936	464,642
Developer Loan Draws and Other Loans	-	-	-	-	2,270,345	-	-	2,270,345
Site Improvements	-	-	-	3,531,017	-	1,242,400	-	4,773,417
New Construction	-	-	-	-	476,352	-	-	476,352
Non Residential Structures	-	-	-	183,316	-	-	-	183,316
Homeownership Down Payment Assistance	-	-	-	-	-	-	5,000,000	5,000,000
Public Improvements	-	-	1,358,559	-	-	1,190,678	-	2,549,237
Consulting and Professional Services	116,150	712,000	-	189,710	17,000	17,500	47,500	1,099,860
Outside Legal Counsel	1,162	9,956	-	35,248	48,480	25,000	4,800	124,646
Community Outreach	-	-	-	-	-	-	25,000	25,000
Other Expenses	-	-	-	10,000	3,500	6,000	18,000	37,500
Total Development and Revitalization Expenditures	\$ 117,312	\$ 925,456	\$ 1,358,559	\$ 4,999,291	\$ 3,171,383	\$ 2,501,578	\$ 6,507,736	\$ 19,581,315

- Initiate homeownership development at the Westside scattered site properties and the Mechanicsville site, as well as continue to develop the West Highlands site.
 - Complete planning activities, select development partners and initiate predevelopment activities at the Civic Center, 301 North Avenue and the former Palmer House.
 - Under the Choice Neighborhood Planning Grant, complete the draft Bowen Neighborhood Transformation Plan and select a development partner for redevelopment of the site.
-
- **Homeownership Down Payment Assistance** AH budgeted \$3.8 million to continue its Homeownership Down Payment Assistance Program. Under this Program, AH provides eligible first-time homebuyers that earn up to 80% of Area Median Income (AMI) with financial assistance to purchase homes within or near AH's MIXED communities, as well as neighborhoods throughout the City of Atlanta. AH projects it will assist approximately 268 new homebuyers in FY 2022, assuming a \$20,500 average of down payment assistance per home.
 - **Predevelopment Planning and Due Diligence.** The Budget supports surveys, appraisals, master planning, assessments, charrettes and studies of potential future development projects.

Impact of Development and Revitalization Expenditures on Future Operating Budgets

AH projects the following impacts on future operating budgets as the result of investments in FY 2022:

- **Co-investments and New Initiatives.** Projects presented so far under co-investments and forecasted for FY 2022 are not expected to impact future operating budgets, except where the deal includes HomeFlex, Public Housing Operating Subsidy or other operating support. As each deal matures the impact will be identified, analyzed and forecasted.
- **Choice Neighborhoods.** Choice Neighborhoods expenditures in FY 2022 will include furthering the construction and/or development of three rental communities, Ashley I, Ashley IC and Ashley II. AH projects to eventually provide annual HomeFlex payment assistance estimated at \$1.4 million for approximately 169 affordable units out of 413 units expected to be created at these three rental communities.
- **RAD Conversion.** When public housing units convert under HUD's RAD Program, the funding from HUD for the property converts from Section 9 to Section 8, but the amount remains constant, so AH revenues will not be affected. Depending upon the deal, however, rental assistance payment to a RAD property may increase or decrease. The financial impact of future conversions under the RAD program cannot be determined until AH enters into final HomeFlex agreements.

- **Site Acquisitions and Development.** Since most of the projects funded in this section include redevelopment of former public housing sites and new site acquisitions, they are expected to have an impact on future budgets as AH will provide rental assistance or HomeFlex at various points in time in the future. In the case of the Senior Phase of Herndon Homes, 97 affordable units are planned to be online for FY 2022 at an estimated annual cost of \$0.8 million.
- **Other Development Activities.** Projects funded under this section are not expected to have an impact on future operating budgets.

Budget Risk Analysis

The FY 2022 Budget is based on a number of assumptions, which have been addressed earlier in this document. Should these assumptions not occur as described, there will be impacts on AH's ability to execute this Budget. The significant assumptions and the related risks are as follows:

- With 96% of AH's funding provided by HUD, this represents by far AH's largest risk. AH's funding from HUD is based on the assumption that Congress will fund Federal Fiscal Year 2021 essentially at the same levels as Federal Fiscal Year 2020 with a 99.4% proration for the Housing Choice Voucher Program and 90.0% proration for the Public Housing Subsidy. Should Congress elect to reduce funding levels for Calendar Year 2021, AH would be forced to use more prior year funds held at HUD or other cash balances held locally to fund all planned expenditures.

- AH has approximately \$130 million of Housing Choice Voucher funds held at HUD that, although minimal, are at risk of being offset (i.e. HUD requiring AH to draw them for current operating expenditures in lieu of receiving new HUD funding.) Should Congress decide to offset future Housing Choice Voucher subsidies against AH funds held at HUD, AH would not be in a financial position to carry out a large portion of its projected development and revitalization initiatives.
- As AH further explores its responsibilities toward environmental clean-up on its former public housing sites and other properties during FY 2022, spending over budgeted amounts for FY 2022 may be required.
- The Budget was developed on the assumption that the economy of Atlanta will remain relatively stable in the next 12-18 months. Changes in the economy affect both the availability and affordability of housing. The Budget assumes that AH will be able to lease up over 1,150 new Tenant-Based Housing Choice vouchers in FY 2022, before attrition. This will require that affordable qualified units are available for participants. If such a level of affordable housing does not exist, AH may not be able to lease up and meet the budgeted HAP levels.
- The economy may also have an impact on AH's Development and Revitalization program as demand for construction assets may affect costs and the availability of suitable homebuyer opportunities may change.
- Finally, the FY 2022 Budget was developed as the Novel Coronavirus COVID-19 was spreading through Atlanta and

the world. COVID-19 has the potential to significantly change the public housing environment for Atlanta Housing. Changes are already being felt as AH staff has embraced working from home and many of our clients have been furloughed or laid off, reducing household income and increasing AH's housing assistance costs.

Federal responses to the pandemic, specifically those provided under the CARES ACT, are sufficient to mitigate current financial impacts, but it is uncertain what will occur in the coming months.

FUNDS STRUCTURE AND DESCRIPTION

Due to AH's Single Fund flexibility, AH has elected to use enterprise accounting. In its financial statements and its budgeting, AH is a single enterprise, although for purposes of reporting to the U.S. Department of Housing and Urban Development, AH submits a version of its financial statements in a fund-specific format known as the Financial Data Schedule.

While AH uses the enterprise fund type and its measurement focus is generally the same as that used by commercial entities, it does maintain separate accounting for resources that have unique uses and reporting requirements. These include the following:

Moving to Work (MTW) Single Fund

Under AH's MTW Agreement, AH administers its funding for the Housing Choice Voucher Program (HCVP), Public Housing Operating Subsidy (Operating Subsidy) and Capital Fund Program (CFP) as a single fund (MTW Single Fund) in a substantially less-regulated environment with increased programmatic flexibility. Notwithstanding this increased flexibility, there remains ongoing program-specific budgeting, accounting and reporting responsibilities to HUD. AH will continue to receive funds from these three program areas in accordance with HUD's annual appropriations process.

- **Housing Choice Voucher Program (HCVP)**

As described in the Operating Budget section of this document, HUD calculates the amount of HCVP funds that AH is authorized for each fiscal year. Under the current rules HUD disburses only the amount necessary to cover AH's

MTW authorized expenditures not funded by another source. Any authorized funds not used in the current calendar year are retained at HUD for future use by AH.

- **Public Housing Operating Subsidy (Operating Subsidy)**

Annually, AH submits calculations to determine its Operating Subsidy from HUD for Section 9 public housing at AH-owned and MIXED communities. After prorating the result, HUD determines the amount that AH is authorized for a year and makes it available for AH to draw. Because the amount authorized is always less than what is needed to operate the properties, AH draws one-twelfth of the authorization each month.

- **Capital Fund Program (CFP)**

Based on the physical characteristics of AH's Section 9 housing stock, including units at MIXED Communities and Congressional funding, HUD determines the annual CFP grant award for AH. CFP funds must be expended within four years of award. **See page 24 for CFP awards deadlines and funding availability.**

Replacement Housing Factor (RHF) Funds

RHF was intended to fund the construction or acquisition of replacement housing for units that were removed from AH's portfolio through disposition or demolition. HUD discontinued issuing new RHF funds in FY 2017. RHF funds were available for up to ten years after award and AH expects to fully expend all RHF funds by June 30, 2020.

Choice Neighborhoods Implementation Grant (CNIG) As mentioned previously, AH and the City of Atlanta were awarded a \$30 million Choice Neighborhoods Implementation Grant in September 2015. These funds are to be utilized before the end of 2022 to redevelop the former University Homes public housing site and to revitalize the three surrounding neighborhoods of Ashview Heights, Atlanta University Center Neighborhood, and Vine City (collectively known as the “University Choice Neighborhoods” or “UCN”).

Program Income Funds and Disposition Proceeds

AH earns developer and transaction fees for its participation in property development, as well as asset management fees for properties in AH’s portfolio which are operated by AH partners. In addition, AH occasionally receives funds from the sale of real property. Some of these funds have restrictions on their use. AH records such development-related income separately from the MTW Single fund and maintains them for future development of affordable housing or human development services support.

Entrepreneurial Income Fund

This fund consists of unused contributions from National Housing Compliance (NHC) of which AH is one of 11 members. NHC, formed in 1999 as a 501(c)(4) not-for-profit pursuant to the laws

of the State of Georgia, earns fees for contract administration services as HUD’s Performance Based Contract Administrator (PBCA) for the states of Illinois and Georgia. NHC makes periodic contributions to Members based on NHC’s earned PBCA revenue in excess of NHC’s operating expenses. These contributions have been determined to be non-federal funds and their use is limited only by AH’s charter. This fund also includes developer fees earned from RAD conversions as permitted by current RAD regulations.

Public Improvement Funds Provided by the City of Atlanta and Other City Agencies

The City of Atlanta and its Affiliates have supported AH’s Revitalization Program activities by providing funds for infrastructure and other public improvements in the public right-of-way. These funds typically have come from the sale of special purpose bonds (e.g., Tax Allocation District (TAD) bonds and Water & Sewer bonds). Depending on the source of funding, the City either provides the funds to AH in advance of construction or as reimbursement for completed construction. City- related funds are maintained as separate funding sources in accordance with any restrictions.

Changes in Available Operating and Capital Fund Balances

The following table represents the estimated funding balances projected to be available to AH at June 30, 2020 and June 30, 2021 by type of programs as well as expected changes in fund balances from AH operating and development and revitalization activities budgeted for FY 2022. The fund balances presented below include funds held by AH in local accounts, in either cash or investments, as well as funds held at HUD which are available either from unused funds from prior year appropriations or grant awards.

Funding Source	Estimated Available Funds at June 30, 2021	FY 2022 Sources/Awards	FY 2022 Uses/Drawdown	Estimated Available Funds at June 30, 2022	Estimated Available Funds Net Change
Held on account at HUD					
Capital Fund Program*	\$ 72,390,974	\$ 6,000,000	\$ 35,324,913	\$ 43,066,061	
Resident Opportunity & Self Sufficiency	50,000	280,000	276,000	54,000	
Choice Neighborhoods Grant	16,000,000	-	13,726,000	2,274,000	0.0758
Housing Choice Voucher Program	122,175,837	-	80,015,174	42,160,663	
	\$ 210,616,811	\$ 6,280,000	\$ 129,342,087	\$ 87,554,724	\$ (123,062,087)
Held locally by AH					
MTW - Housing Choice Voucher Program**	\$ 35,726,345	\$ 251,947,984	\$ 251,947,984	\$ 35,726,345	
Tenant Deposits and Rent Payments	227,343	3,743,092	3,743,092	227,343	
Public Housing Operating Subsidy***	9,863,655	10,928,112	10,928,112	9,863,655	
Program Income	97,870,000	9,670,401	1,600,000	105,940,401	
Entrepreneurial Income (non-federal)	13,600,000	1,694,800	1,424,649	13,870,151	
Public Improvement funds provided by the City of Atlanta	3,470,000	-	1,858,259	1,611,741	
Component Units	9,310,000	-	-	9,310,000	
	\$ 170,067,343	\$ 277,984,390	\$ 271,502,097	\$ 176,549,636	\$ 6,482,293
Total	\$ 380,684,154			\$ 264,104,360	\$ (116,579,794)

* FY 2022 Sources/Awards reflects an estimate of the CY 2022 CFP award as the amount is unknown as of the date of this report.

** MTW-Housing Choice Voucher Program funds include COVID-19 CARES Act Funds which can be used for operating expenses until December 2021.

*** Includes working capital reserve requirements.

FINANCIAL POLICIES

Basis of Accounting

As provided under Generally Accepted Accounting Principles, AH uses the accrual basis of accounting to prepare its financial statements. Under this basis of accounting, revenue is recognized in the period in which it is earned, and expense, including depreciation and amortization, is recognized in the period in which it is incurred.

Basis of Budgeting and Reporting

Primarily due to the funding methodology of HUD and in order to provide budget information to decision makers in a less technical manner, AH develops its budget and reports actual expenditures against the budget in a sources and uses format. Under this methodology, revenues are budgeted when they are expected to be received by AH, with the exception of Housing Choice Voucher funds, described below. Expenditures, including capital items are budgeted in the period in which the obligation for payment occurs.

While HUD identifies the obligated (authorized) funds for AH annually, HUD only disburses Housing Choice Voucher funds for immediate expenditures and holds the balance at HUD for future use. AH budgets the entire Housing Choice authorization, but reports as revenue in financial statements only that amount received from HUD.

AH Finance provides a quarterly report to the Board of Commissioners on the actual financial performance to the budget. More detailed reports are provided to AH management on a monthly basis.

Balanced Budget

AH develops its annual budget ensuring budgeted sources of funds, including prior year funds held at HUD or AH, meet or exceed budgeted expenditures.

Prepaid Expense

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid expense. These consist primarily of insurance premiums, software licenses and service contracts. AH budgets only the amount that will be expensed during the fiscal year.

Capital Assets and Depreciation

Capital assets include land, land improvements, buildings, equipment and modernization in process for improvements to land and buildings. Capital assets are defined by AH as assets with an initial cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at cost or fair value at the time of purchase or donation, respectively. Improvements and other capital activities are recorded as modernization in process until they are completed and placed in service. AH budgets for the acquisition of capital assets but does not budget for depreciation.

Development-related Income

Due to the nature of its business in providing affordable housing, AH has entered into a number of loans in which the receipt of principal and interest are contingent on the cash flow of a property. Because of the uncertainty of the amount of payment each year, AH only budgets for the receipt of such funds for which payment by the debtor is likely. AH also earns developer and other fees on real estate deals usually at closing. These fees have been estimated and included in the budget based on anticipated closing dates.

Income and Property Taxes

Income received or generated by AH is not generally subject to federal income tax. Although exempt from state and local property taxes, AH makes payments in lieu of taxes (PILOT), pursuant to agreements with the City of Atlanta and DeKalb and Fulton counties, which are included in the budget.

Long Term Debt

AH is authorized to issue debt and has no statutory limits on the amount of debt. As of June 30, 2020, AH has no outstanding bond debt. The payment of principal and interest on the EPC capital lease, including any repayments related to a RAD conversion, is included as a use of funds.

Long Range Financial Planning

AH's Finance Department staff maintains a long-range financial planning model which forecast AH's revenues, expenditures and cash position for a minimum of five years.

Investments

HUD has placed limitations on the types of investment instruments that can be made using federal funds. AH may, however, invest unrestricted program income funds and non-federal funds according to the terms, conditions and intent of its investment policy.

GLOSSARY OF TERMS

Term	Definition
AH-Owned Residential Communities	A community type. AH's public housing residential communities serving mostly seniors, disabled adults and a small number of families, managed by property management/ development firms hired by AH and referred to as PMDs, are under Section 9 ACC contracts.
Annual Contributions Contract (ACC)	The contract between HUD and a public housing agency authorizing HUD annual funding for Public Housing and Housing Choice and identifying the PHA's responsibilities and limitations on expending such funds.
Area Median Income (AMI)	The median household income for the area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development. The AMI for the Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area is \$82,700 in 2020.
Appropriation Act	An appropriations act is an annual federal law that appropriates (gives to, sets aside for) money to specific federal government departments, agencies, and programs. HUD is typically funded by an annual appropriations act for Transportation, Housing and Urban Development, and Related Agencies (T-HUD or THUD).
Balanced Budget	Typically, a budget where estimated revenues equal estimated expenditures for a fiscal year. For AH, a balanced budget exists when expenditures do not exceed the combination of revenues and Board approved usage of reserves.
Capital Fund	The Capital Fund is a HUD program available by formula distribution for capital and management activities, including development, financing, and modernization of public housing communities.

Capital Fund Program (CFP)	HUD Funding for modernization to improve the physical conditions and to upgrade the management and operations of existing public housing developments to assure their continued availability to low-income families.
Choice Neighborhoods Implementation Grant (CNIG)	A competitive HUD grant that supports locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. AH and the City of Atlanta received a \$30 million Choice Neighborhoods Implementation Grant in 2015.
Co-investment	AH's integrated and collaborative approach to investing funds in conjunction with partners and/or aligned stakeholders.
Coronavirus COVID-19	A highly infectious respiratory disease caused by a novel coronavirus. The disease was discovered in China in December 2019 and has since spread around the world, causing an unprecedented public health crisis.
Corporate Support Departments	AH headquarters departments that provide authority-wide leadership, planning, expertise, financial, legal, compliance oversight, policy management and strategic and logistical support to Operating Divisions.
Davis-Bacon	The Davis-Bacon Act regulates the payment of prevailing wage rates (determined by the U.S. Department of Labor) to all laborers and mechanics on Federally-funded construction projects in excess of \$2,000. AH monitors and reports information required by the act to HUD for work conducted on its behalf.
Development-related Income	Funds received as the result of AH's development and revitalization activities. These include, but are not limited to, developer fees, transaction fees, co-management fees incentive fees, bond issuer fees, ground lease rent and homeownership profit participation.

Digital Literacy	Digital Literacy is the knowledge, skills, and behaviors used in a broad range of digital devices such as smartphones, tablets, laptops and desktop PCs.
Family Self-Sufficiency (FSS) Program	A program to help families on assistance become employed by providing not only housing assistance but also education and job training.
Family Unification Program (FUP) Vouchers	Special Purpose Vouchers issued by HUD to enable families to rent affordable housing for whom the lack of affordable housing is a primary factor in, (1) the separation of children from their families or (2) the prevention of reunifying the children with their families.
Federal Fiscal Year (FFY)	A 12-month accounting cycle for the federal government which begins on October 1 of each year and ends on September 30 of each year.
FLOW	The City of Atlanta tenant-based supportive housing pilot referral program which provides vouchers for individuals and families that successfully “graduate” from a permanent supportive housing or transitional housing community into stable housing with light-touch supportive services.
HAVEN	AH’s collective term for various programs and communities that are focused on the needs of families that are homeless or at risk of homelessness.
HomeFlex	Funding provided to the Owner Entity of a community to subsidize unit rent in accordance with a HomeFlex Agreement.
Homeownership Down Payment Assistance (DPA)	Mortgage Down Payment assistance provided by AH to eligible first-time homebuyers that earn up to 80 percent of Area Median Income (AMI) to purchase homes within or near AH’s HOPE VI-funded MIXED communities as well as throughout the City of Atlanta.
Homeownership Vouchers	AH’s program in which AH assists families that utilize a Tenant-Based Housing Choice Voucher to purchase a home. AH provides monthly assistance by paying a portion of the participants’ mortgage payments.

Housing and Urban Development (HUD)	U.S. government department created in 1965 to support community development and home ownership. HUD is the primary source of AH's federal funds.
HUD Funding Year	Twelve month period from January to December during which HUD provides subsidy or other funding to PHAs using funds appropriated to HUD by Congress for the Federal Fiscal year which began on the previous October 1 st .
Housing Choice Voucher (HCV)	Document issued by AH to an eligible household authorizing the household to conduct its housing search for a suitable rental housing unit. The voucher describes the program, the approved unit size, and the procedures for AH approval of a unit selected by the family. The Housing Choice Voucher also states the obligations of the family under the program.
Housing Choice Voucher Program (HCVP)	The Housing Choice Voucher Program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.
Housing Assistance Payment (HAP)	The monthly rental assistance amount payable by AH to a property owner on behalf of an eligible family representing AH's portion of the contract rent pursuant to a HAP contract between AH and the property owner.
Mainstream	HUD Mainstream vouchers provide rental assistance to enable persons with disabilities (elderly and non-elderly) to rent affordable private housing.
MIXED	MIXED A mixed-income multi-family rental property owned by a public/private partnership in which the private sector development partner is the managing general partner. A percentage (typically 30-40%; 100% for senior communities) of the apartments receive operating subsidy from AH and are rented only to low-income families. The other units may be LIHTC-only or market-rate. The property is managed by the Owner Entity's property management company.

Moving to Work (MTW)	An agreement with HUD that provides AH with substantial statutory and regulatory relief to implement local solutions to address local challenges in providing affordable housing opportunities to low-income families. The MTW Agreement allows AH to combine multiple types of HUD funding: Housing Choice Voucher Program funds, Public Housing Operating Subsidy and Capital Fund Program grants into a single fund to be used for MTW eligible activities.
MTW Annual Plan	The annual planning document submitted by AH to HUD which, among other requirements, outlines, programs, strategies and initiatives for the fiscal year, as well as identifies any necessary regulatory flexibilities to accomplish them.
M/W/SBE partners	Minority-owned, women-owned, and small business enterprises with which AH contracts to provide goods and services.
National Housing Compliance (NHC)	This term refers to Georgia HAP Administrators, Inc. (GHA) d/b/a National Housing Compliance (NHC). As contract administrator for HUD's multi-family portfolio in Georgia and Illinois, NHC earns base and incentive fees for the services it performs. NHC was specifically created by its member agencies to conduct performance-based contract administration for HUD including professional services to the affordable housing industry.
Next Steps	AH's youth self-sufficiency program to develop term-limited solutions that support the development and economic self-sufficiency of youth transitioning from foster care. This includes providing Housing Choice vouchers and partnering with state agencies, service providers and the education system.
Non-Operating Sources of Funds	Funds received by AH which were not generated by its normal public housing operations. These include, but are not limited to, interest income and proceeds from the sale of AH property.

Obligations	Funds which the federal government has formally set aside or earmarked that will be used in the future for the purchase of goods or services through the award of grants or subsidies. HUD obligates funds for AH's use when HUD amends AH's Annual Contribution Contracts (CFP and Housing Choice funding) and/or when it increases the available amount of funding in its electronic financial management system (Public Housing Operating Subsidy)
Operating Divisions	AH's headquarters departments that provide housing assistance to citizens of Atlanta through its AH-Owned and MIXED communities public housing, Housing Choice Vouchers, HomeFlex, Homeownership Down Payment Assistance or the development and revitalization of affordable properties.
Operating Subsidy	Funds provided by HUD to AH under the Public Housing Operating Subsidy program as subsidy. Also refers to monthly funds provided by AH to PMDs and MIXED community partners under contractual agreements to provide assisted housing to qualified tenants.
Public Housing Authority (or Agency) (PHA)	Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities that is authorized to engage or assist in the development or operation of low-income housing under the U.S. Housing Act of 1937, as amended.
Public Housing Operating Subsidy (Operating Subsidy)	Funding provided by HUD to AH for the support of operations and maintenance for Section 9 public housing, either at AH-Owned or MIXED communities.
Public Improvement Funds	Funds provided by the City of Atlanta or other City agencies to AH for the purpose of construction, enlargement, extension or other construction of a facility intended for dedication to the City, including, but not limited to a street, curb and gutter, sidewalk cross drain, catch basin, traffic control and street name signs; domestic water supply system main, fire hydrant, sanitary sewerage main or outfall, lift station, force main, or manhole.

Property Management-Developer (PMD) Company	Property management/development firms hired by AH to provide property management services and pre-development planning services together with the grant of a development option for the AH-Owned Residential Communities.
Portability	A feature of the HCVP that permits an eligible voucher holder to move from the jurisdiction that issued the HC voucher (Initial PHA) to any other jurisdiction that administers a HCVP (Receiving PHA) which will either administer the HC voucher for the Initial PHA or absorb the eligible voucher holder into its HCVP.
Program Income	Gross income earned by AH or other non-Federal entities that is directly generated by a supported activity or earned as a result of a Federal grant award during the period of performance. Program Income may retain federal limitations on its use depending on its origin.
Proration	Percentage of requested funding that reflects Congressional funding authorization that does not equal the request. For example, if the sum of all PHAs Operating Subsidy calculations equaled \$100 billion and HUD requested that amount for total Operating Subsidy, but Congress authorized only \$90 billion, HUD would enforce a 90% proration. Each PHA would receive only 90% of the funds that were originally calculated as being required.
Quality of Life Initiative (QLI)	An AH initiative that allowed families in AH's distressed and obsolete public housing family communities and high-rise communities to relocate from those environments using housing choice vouchers. The buildings were demolished and AH has solicited proposals from private sector developers for mixed-use, mixed income developments for selected sites.

Short-Term Housing Assistance	AH program, working with the United Way of Greater Atlanta, to prevent homelessness and to support rapid re-housing of families dealing with temporary setbacks. Also referred to as the “Home Again Program”.
Special-Purpose Vouchers	HUD-issued vouchers administered by AH which cannot be rolled into AH’s MTW Single Fund. AH includes special purpose voucher participants in its MTW program with allowances for any requirements imposed by HUD. This category includes Mainstream, VASH, RAD, and FUP vouchers
Tenant Based Voucher	AH Housing Choice Voucher used to subsidize the affordable housing of a qualified individual living in a qualified house or apartment community.
Tenant Dwelling Revenue	Rent paid by tenants at AH-owned Residential Communities, usually calculated as a percentage of adjusted income. Such rental income is used at the communities for operations and maintenance expenses.
Veterans Affairs Supportive Housing (VASH)	Federal program which provides a combination of HUD rental assistance and VA case management services for very-low income homeless veterans.
Vision 2022	AH’s five-year strategic plan.
Voucher Portability Administrative Fees	AH payment to receiving public housing agencies to administer Housing Choice vouchers for participants who moved from the AH service area under HUD’s Portability feature.
Work/Program Requirements	AH’s work/program participation policy requires that (a) one non-disabled adult household member (between the age of 18 – 61 years) maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled adults maintain work or participation in a combination of school, job training and/or part-time employment as a condition of the household receiving and maintaining subsidy assistance.

Acronyms

ACC	Annual Contributions Contract
AH	Atlanta Housing
AMI	Area Median Income
CFP	Capital Fund Program
COVID-19	[Novel] Coronavirus COVID-19
FSS	Family Self Sufficiency Program
FFY	Federal Fiscal Year
DDTF	Demolition or Disposition Transitional Funding
DPA	Down Payment Assistance
HUD	U.S. Department of Housing and Urban Development
HCV	Housing Choice Voucher
HCVP	Housing Choice Voucher Program
HAP	Housing Assistance Payment
MTW	Moving to Work
M/W/SBE	Minority-owned/Women-owned/Small Business Enterprises
NHC	National Housing Compliance
PHA	Public Housing Authority (or Agency)
PMD	Property Management-Developer Company
QLI	Quality of Life Initiative
RAD	Rental Assistance Demonstration Program

REG	Real Estate Group
RHF	Replacement Housing Factor
VASH	Veterans Affairs Supportive Housing

Statistical and Other Information Regarding the Atlanta Housing Authority

Organization

The Housing Authority of the City of Atlanta, Georgia (AH or the Authority) is a public body corporate and politic created in 1937 under the Housing Authorities Laws of the State of Georgia with a public mission and purpose. The primary purpose of AH is to facilitate affordable housing opportunities for low-income elderly and disabled persons in the City of Atlanta (City). AH has broad corporate powers including, but not limited to, the power to acquire manage, own, operate, develop and renovate housing; invest and lend money; create for profit and not-for-profit entities; administer Housing Choice vouchers; issue bonds for affordable housing purposes; and acquire, own and develop commercial land, retail and market-rate properties that benefit affordable housing.

The governing body of AH is its Board of Commissioners (Board) which, pursuant to state laws, should be comprised of seven members appointed by the Mayor of the City of Atlanta and includes two resident commissioners. The resident commissioners serve one-year terms and the five remaining members serve five-year staggered terms. The Board appoints the President and Chief Executive Officer to operate the business of AH. The Board provides strategic guidance and oversight of AH's operations; AH is not considered a component unit of the City and is not included in the City's financial statements.

AH is an MTW agency under HUD's MTW Demonstration Program which provides certain "high-performing" agencies with substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended (1937 Act), as reflected in an agreement between the selected agency and HUD. AH negotiated and entered into its MTW Agreement with HUD on September 25, 2003, which was effective from July 1, 2003 through June 30, 2010. In response to HUD's decision to introduce a standard form of agreement and expand the MTW Demonstration Program, AH successfully negotiated and executed an Amended and Restated MTW Agreement on November 13, 2008. On January 16, 2009, AH and HUD executed a further amendment to the Amended and Restated MTW Agreement. AH's MTW Agreement as amended and restated, is referred to as the MTW Agreement.

In December 2015, AH's MTW Agreement was extended until June 30, 2028 under the same terms and conditions, which was confirmed by HUD in a letter dated April 14, 2016. AH's MTW Agreement incorporates its legacy authorizations from its initial MTW Agreement and clarifies AH's ability to use MTW-eligible funds outside of Section 8 and Section 9 of the 1937 Act. AH developed its base Business Plan in FY 2004, which lays out AH's strategic goals and objectives during the term of its MTW Agreement. AH's Business Plan and its subsequent annual MTW Implementation Plans, on a cumulative basis, outline AH's priority projects, activities and initiatives to be implemented during each fiscal year.

1. Housing Opportunities and Households Served (actuals as of June 30)

Community & Program Type	Type of Assistance ⁽⁵⁾	Household Totals			
		Actual End of FY 2018	Actual End of FY 2019	Projected End of FY 2020	Projected End of FY 2021
AH-Owned Communities	PH ⁽¹⁾	1,586	1,586	1,261	1,003
MIXED Communities (AH-Sponsored Mixed-Income Communities)	PH ⁽⁷⁾	2,155	2,155	1,562	1,170
	RAD / PBV ⁽¹⁾	423	423	1,341	1,991
	HomeFlex ⁽⁷⁾	1,543	1,509	1,521	1,521
	LIHTC-only ⁽⁷⁾	1,131	1,084	1,085	1,085
HomeFlex (MTW-PBRA Communities)	HomeFlex ⁽⁷⁾	4,012	4,232	4,800	4,990
	LIHTC-only ⁽⁷⁾	1,595	1,589	1,585	1,585
Housing Choice Voucher Program ⁽²⁾	HCV	8,608	9,094	9,084	9,404
Housing Choice Ports ⁽³⁾	HCV	2,029	1,860	1,545	1,402
Housing Choice Home-ownership	HCV	23	19	19	18
Homeownership - Other ⁽⁴⁾	MTW	724	993	862	1,398
Supportive Housing - Other ⁽⁵⁾	MTW	215	380	216	250
TOTAL ⁽⁸⁾		24,044	24,924	24,881	25,817

NOTES: PH = Public Housing (ACC-assisted), HomeFlex = AHA's MTW Project Based Rental Assistance, LIHTC-only = Low-Income Housing Tax Credits only, HCV = Housing Choice Voucher

⁽¹⁾ PH units decreasing due to implementation of RAD at former AH-Owned high-rise communities. HomeFlex units are provided under a modified RAD Project Based Voucher model. RAD-PBV also includes conversions at MIXED Communities.

⁽²⁾ Housing Choice Tenant-Based includes 300 Family Unification Program (FUP) vouchers, 242 Mainstream vouchers, and 270 HUD VASH vouchers. Also includes other voucher-funded supportive housing programs.

⁽³⁾ Changes in Housing Choice Ports are dependent on absorption of the vouchers by other PHAs, program terminations and households with AHA vouchers that return to AH's jurisdiction (i.e. no longer porting).

⁽⁴⁾ Homeownership - Other category includes down payment assistance through various AH programs.

⁽⁵⁾ Supportive Housing includes non-traditional programs utilizing MTW Single Funds. Figures reflect households assisted via AH's pilot rental housing assistance program for homelessness prevention. Supportive Housing programs utilizing HCV or HomeFlex are included in their respective program categories.

⁽⁶⁾ AH does not have any non-MTW PH or HomeFlex units in its portfolio. Most PH and HomeFlex-assisted units in mixed-income, mixed-finance communities are developed using low income housing tax credit equity and are also tax credit units. For reporting purposes, these units are categorized only as PH or HomeFlex units (not as LIHTC-only units).

⁽⁷⁾ Changes in HomeFlex (HF) and LIHTC-only are due to added units and shifts between types of assistance on a unit within a community.

⁽⁸⁾ Overall, AH projects an increase in households served in the Housing Choice Voucher Program, Supportive Housing Programs and new units from HomeFlex Communities.

2. Households Characteristics (actuals as of June 30, 2019)

Community & Program Type	Number of Households by Unit Size											
	0/1 Bedroom		2 Bedrooms		3 Bedrooms		4 Bedrooms		5+ Bedrooms		TOTAL	
	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19
AH-Owned Communities	1,455	1,425	46	45	20	19	28	29	0	0	1,549	1,518
MIXED Communities	1,617	1,455	1,434	1,467	547	553	47	48	0	0	3,645	3,523
RAD-PBV Conversions	300	366	31	31	5	5	0	0	0	0	-	402
HomeFlex Communities (PBRA)	2,090	2,608	1,224	1,296	167	177	5	5	0	0	3,486	4,086
Housing Choice Tenant-Based	2,459	2,241	2,023	3,284	1,741	2,697	1,218	757	1,167	115	8,608	9,094
Housing Choice Ports	409	366	664	595	720	670	206	198	30	31	2,029	1,860
TOTAL	8,330	8,461	5,422	6,718	3,200	4,121	1,504	1,037	1,197	146	19,317	20,483

Community & Program Type	Number of Households by Income group (percent of Area Median Income (AMI))									
	< 30% of AMI		31 - 50% of AMI		51 - 80% of AMI		> 80% of AMI		TOTAL	
	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19
AH-Owned Communities	1,348	1,364	177	133	19	18	19	3	1,563	1,518
MIXED Communities	2,459	2,425	943	889	223	199	223	10	3,848	3,523
RAD-PBV Conversions	274	341	52	54	9	7	9	0	344	402
HomeFlex Communities (PBRA)	2,570	3,135	773	831	139	117	139	3	3,621	4,086
Housing Choice Tenant-Based	7,599	6,242	897	2,219	110	591	110	42	8,716	9,094
Housing Choice Ports	1,501	1,599	411	226	108	34	108	1	2,128	1,860
TOTAL	15,751	15,106	3,253	4,352	608	966	608	59	20,220	20,483

Notes: AH does not capture household characteristics for LIHTC-only units within MIXED and HomeFlex Communities.

The U.S. Department of Housing and Urban Development published a comprehensive housing market analysis as of August 1, 2018 with a focus on Fulton and DeKalb Counties, GA, which encompasses the majority of Atlanta Housing’s jurisdiction. The following provides excerpts from this analysis. (Table numbers reflect the original document)

Housing Market Analysis Summary

The Fulton and DeKalb Counties Housing Market Area (HMA) is part of the 29-county Atlanta- Sandy Springs-Roswell Metropolitan Statistical Area (hereafter, Atlanta MSA). The HMA, which includes the City of Atlanta, is centrally located within the MSA and is an international hub for logistics, education, health care, and trade.

Economy

Economic conditions in the Fulton and DeKalb Counties HMA are currently strong. Job growth slowed during the most recent 12 months but has exceeded the national rate since 2011. During the 12 months ending July 2018, nonfarm payrolls in the MSA increased by 51,200 jobs, or 1.9 percent. By comparison, nonfarm payrolls in the nation expanded by 1.6 percent during the 12 months ending July 2018. During the 3-year forecast period, nonfarm payrolls in the MSA are expected to increase an average of 1.8 percent a year, partly supported by economic expansions in the HMA.

Sales Market

The sales market in the HMA is currently balanced with reduced levels of home construction and increased net in-migration contributing to the absorption of excess inventory since the early 2010s. As of August 1, 2018, the overall sales vacancy rate was estimated at 2.1 percent, down from 4.6 percent in April 2010. During the 3-year forecast period, demand is estimated for 14,100 new homes, accounting for 19 percent of total demand in the Atlanta MSA (Table 1). Demand is expected to be relatively stable in the HMA during the period. The 3,475 homes currently under construction will satisfy some of the forecast demand.

Rental Market

The rental housing market in the HMA is currently balanced with an estimated vacancy rate of 6.0 percent, down from 13.4 percent in April 2010. Strong growth in renter households has generally outpaced construction of rental units and the conversion of sales units to rental use since 2010. During the next 3 years, demand in the HMA is expected for 19,450 new market-rate rental units, representing 64 percent of demand in the Atlanta MSA (Table 1). The 13,150 rental units currently under construction and the 4,025 additional units expected to be completed during the next 2 years will satisfy most of the demand.

Table 1. Housing Demand in the Atlanta MSA* and Fulton and DeKalb Counties HMA During the Forecast Period

	Atlanta MSA*		Fulton and DeKalb Counties HMA	
	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	74,150	30,350	14,100	19,450
Under construction	14,175	15,950	3,475	13,150

*Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2018. The forecast period is August 1, 2018, to August 1, 2021.

Source: Estimates by analyst

Economic Conditions

The Fulton and DeKalb Counties HMA is the primary economic core of the Atlanta MSA. The HMA currently accounts for approximately 46 percent of all jobs in the MSA, a figure which has generally trended upwards during the current period of economic expansion after averaging 43 percent in 2009. Job growth in the MSA slowed during the most recent 12 months, but economic conditions remain strong with the rate of growth exceeding the national rate since 2011. During the 12 months ending July 2018, nonfarm payrolls in the MSA averaged 2.75 million jobs, an increase of 51,200 jobs, or 1.9 percent, from the previous 12 months (Table 2). That rate of job growth was down from an increase of 71,900 jobs, or 2.7 percent, during the 12 months ending July 2017, but was higher than the 1.6-percent rate for the nation. AT&T, Inc., which moved several hundred jobs from Atlanta to other locations within the nation in early 2018, contributed to the slowed rate of growth during the most recent 12 months, as the information sector declined by 2,300 jobs, or 2.4 percent. The education and health services sector added the most jobs, expanding by 10,500 jobs, or 3.1 percent, due in part to the completion of a new 84- bed patient tower at Northside Hospital Atlanta, which opened in early 2018.

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Atlanta MSA*, by Sector

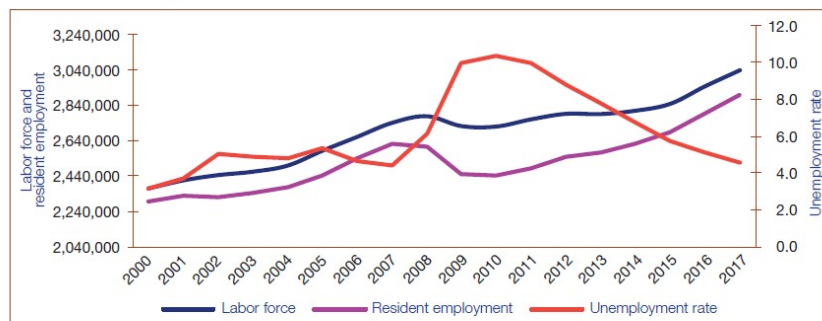
	12 Months Ending		Absolute Change	Percent Change
	July 2017	July 2018		
Total nonfarm payroll jobs	2,701,700	2,752,900	51,200	1.9
Goods-producing sectors	286,600	295,400	8,800	3.1
Mining, logging, and construction	120,800	126,900	6,100	5.0
Manufacturing	165,800	168,500	2,700	1.6
Service-providing sectors	2,415,100	2,457,500	42,400	1.8
Wholesale and retail trade	449,400	454,900	5,500	1.2
Transportation and utilities	149,300	158,400	9,100	6.1
Information	97,800	95,500	-2,300	-2.4
Financial activities	169,000	170,100	1,100	0.7
Professional and business services	496,600	500,200	3,600	0.7
Education and health services	337,600	348,100	10,500	3.1
Leisure and hospitality	287,200	296,300	9,100	3.2
Other services	98,700	99,800	1,100	1.1
Government	329,500	334,300	4,800	1.5

*Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area

Notes: Based on 12-month averages through July 2017 and July 2018. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Atlanta MSA*, 2000 Through 2017



*Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area

Source: U.S. Bureau of Labor Statistics

The economic downturn in the late 2000s affected the HMA relatively severely, with nonfarm payrolls in the MSA declining by an average of 61,300 jobs, or 2.6 percent a year from 2008 through 2010, when nonfarm payrolls in the nation declined by an average of only 1.9 percent, annually. From 2011 through 2016, the MSA added an average of 64,700 jobs, or 2.7 percent, a year, as compared with average growth of only 1.7 percent a year for the nation. Due to the strong job growth that began in 2011, the number of nonfarm payrolls in the MSA is currently 11.8 percent greater than the prerecession high of 2.46 million in 2007. The unemployment rates for both the MSA and the HMA have declined significantly since the early 2010s, and are generally comparable to the rate for Georgia, but remain slightly higher than the rate for the nation. Figure 1 shows trends in the labor force, resident employment, and the average unemployment rate in the MSA from 2000 through 2017.

The Atlanta MSA is an international hub for logistics, education, health care, and trade. The presence of Hartsfield- Jackson Atlanta International Airport, the busiest airport in the world since 2000 (Airports Council International), and the educated MSA workforce, including graduates from Emory University, Georgia Institute of Technology, (Georgia Tech) and Georgia State University, make the MSA an attractive location for corporations. The headquarters of 28 Fortune 1,000 companies are located in the MSA, including Delta Air Lines, Inc., The Home Depot, Inc., AT&T, Inc., United Parcel Service (UPS), and The Coca-Cola Company, which are in the HMA (Table 3). As a result, the professional and business services sector—which includes the management of companies and enterprises and the administrative, support, and waste management industries—is currently the largest sector in the MSA sector recorded only 2 years of job losses during the economic downturn and began adding jobs a year sooner than most sectors in the HMA.

The education and health services sector has been the fastest growing sector in the MSA since 2000 (Figure 3) and is the only sector to have added jobs each year during the period. Anchored by Emory University/Emory Healthcare, which is the second largest employer in both the MSA and the HMA, with 26,050 employees, the sector added more jobs than any other sector during the most recent 24 months. During the 12 months ending July 2018, the number of jobs in the sector averaged 348,100 jobs, an increase of 10,500 jobs, or 3.1 percent, following an increase of 9,800 jobs, or 3.0 percent, during the 12 months ending July 2017. From the end of 2000 through 2016, the sector expanded by an average of 9,400 jobs, or 3.8 percent, annually, due in part to increased demand for health care caused by population growth.

Table 3. Major Employers in the Fulton and DeKalb Counties HMA

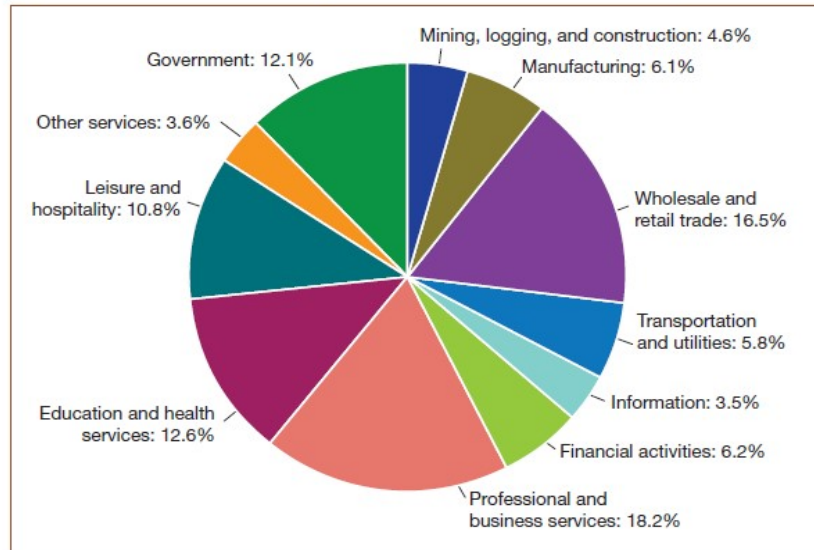
Name of Employer	Nonfarm Payroll Sector	Number of Employees
Delta Air Lines, Inc.	Transportation & utilities	31,700
Emory University/Emory Healthcare	Education & health services	26,050
The Home Depot, Inc.	Wholesale & retail trade	25,000
WellStar Health System	Education & health services	20,000
AT&T, Inc.	Information	17,000
United Parcel Service (UPS)	Transportation & utilities	16,250
Piedmont Healthcare	Education & health services	12,900
Georgia State University	Government	9,425
Center for Disease Control and Prevention (CDC)	Government	9,150
Cox Enterprises	Information	8,275

Note: Excludes local school districts.

Source: Metro Atlanta Chamber of Commerce

The healthcare and social assistance industry has accounted for more than 60 percent of the job growth in the sector since 2000, partly because of several notable hospital openings and expansions within the HMA. Emory University Healthcare completed a \$270 million redevelopment of Emory Crawford Long Hospital (now Emory University Hospital Midtown) in 2002, and Children’s Healthcare of Atlanta completed a \$344 million project that expanded the Egleston and Scottish Rite facilities in 2007. More recently, Emory University opened a new 210-bed medical tower at the Clifton Campus in early 2017. Spending generated by jobs in the HMA, particularly in the professional and business services and the education and health services sectors, contributes significantly to the wholesale and retail trade sector, the largest sector in the MSA from 2000 to 2011. During the 12 months ending July 2018, nonfarm payrolls in the sector averaged 454,900 jobs, an increase of 5,500 jobs, or 1.2 percent, from the previous 12-month period. The sector increased by an average of 8,400 jobs, or 2.0 percent, a year from 2011 through 2016 after declining by an average of 15,200 jobs, or 3.6 percent, a year from 2008 through 2010. The retail trade subsector accounted for 73 percent of the job growth in the sector from 2011 through 2016 after accounting for 65 percent of the jobs lost during the decline. The HMA represents only 35 percent of all wholesale and retail trade jobs in the MSA, with many large retail centers in suburban counties outside the HMA.

Figure 2. Current Nonfarm Payroll Jobs in the Atlanta MSA*, by Sector



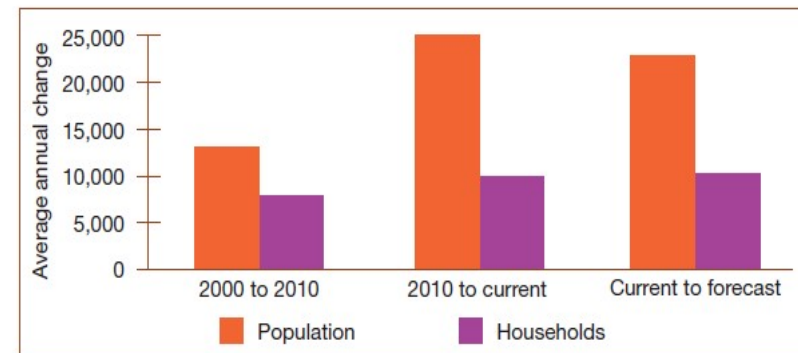
*Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area

Note: Based on 12-month averages through July 2018.

Source: U.S. Bureau of Labor Statistics

During the 3-year forecast period, nonfarm payroll growth is expected to remain strong at an average of 76,600 jobs, or 2.9 percent, annually. Job gains are expected in most sectors, with growth in the professional and business services and the education and health services sectors expected to indirectly support gains in the wholesale and retail trade, the mining, logging, and construction, and the leisure and hospitality sectors. Inspire Brands, the parent company of Arby’s, Buffalo Wild Wings, and Rusty Taco, recently announced an expansion of its headquarters in the HMA City of Sandy Springs, which will create as many as 1,100 jobs beginning in 2019. Healthcare insurer Anthem, Inc. recently broke ground on the Anthem Technology Tower, a \$150-million, 21-story skyscraper in the

Figure 4. Population and Household Growth in the Fulton and DeKalb Counties HMA, 2000 to Forecast



Notes: The current date is August 1, 2018. The forecast date is August 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Midtown neighborhood in the City of Atlanta, which will eventually house as many as 3,000 employees, including 1,800 IT workers, when it is completed in 2020.

Population and Households

As of August 1, 2018, the population of the Fulton and DeKalb Counties HMA is estimated at 1.82 million, or approximately 30 percent of the total population of the Atlanta MSA, which is currently estimated at 5.98 million. Population growth in the HMA has accelerated since 2010 with strong job growth contributing to net in-migration, particularly to the highly urbanized areas within Interstate 285, which encircles the economic core of the MSA. The population of the HMA has increased by an average of 24,900, or 1.5 percent, annually, since 2010, nearly double the average growth rate of 0.8 percent, annually, from 2000 to 2010 (Figure 4). By comparison, the population of the MSA has expanded an average of 1.5 percent a year since 2010, after increasing an average of 2.2 percent, a year from 2000 to 2010.

Net in-migration to the HMA has averaged 11,800 people a year and accounted for 48 percent of total population growth since 2010 after net outmigration from the HMA averaged 1,600 people a year from 2000 to 2010. Weak economic conditions limited net in-migration in both the early and late 2000s. In addition, during the economic expansion in the middle of the decade, a surge in new housing developments in areas outside the HMA, particularly of larger homes, attracted HMA homebuyers to those less densely populated parts of the MSA.

The City of Atlanta, which is on the border between Fulton and DeKalb Counties, is the economic center of the HMA and currently encompasses about 27 percent of the HMA population. The City has accounted for approximately 35 percent of population growth in the HMA since 2010, however, because tighter lending requirements have limited homeownership since the late 2000s, decreasing the incentive for many residents to commute from outlying parts of the HMA. Significant redevelopment efforts such as the Atlanta Beltline, which received an \$18 million federal grant in 2013, have also made the City a more attractive location for residents. As of 2016, the population of the City was 472,506, representing an average annual increase of 1.9 percent, from 2010 (American Community Survey 1-year data). By comparison, from 2000 to 2010, population growth was much faster in the suburban parts of the HMA, particularly along the Georgia State Route 400 corridor to the north of Interstate 285. The cities of Sandy Springs, Roswell, Johns Creek, and Alpharetta combined to account for 43 percent of total population growth in the HMA during the period whereas the City of Atlanta accounted for only 3 percent.

Household growth in the HMA has accelerated since 2010, but less dramatically than population growth because a relatively high proportion of the recent net in-migration consisted of families. The number of households in the HMA is estimated at 731,100 as of August 1, 2018, an average annual increase of 9,950, or 1.5 percent, since 2010. By comparison, from 2000 to 2010, the number of households in the HMA increased by an average of 7,750, or 1.3 percent, annually. The average household size in the HMA was 2.41 in 2010, down from 2.52 in 2000. That figure is estimated to have increased to 2.42 as of August 1, 2018. The HMA is highly urbanized and was affected by the housing market downturn in the late 2000s, with very high foreclosure rates continuing into the early 2010s. As a result, the homeownership rate has declined since 2010 and remains well below the respective rates for both the MSA and the nation. As of August 1, 2018, the homeownership rate in the HMA is estimated at 50.4 percent, down from 55.1 percent in April 2010. The homeownership rate for the MSA is currently estimated at 60.1 percent, down from 66.1 percent in April 2010 (Table DP-1 at the

end of this report). By comparison, the rate for the nation was 64.3 percent as of the second quarter of 2018, down from 66.9 percent during the second quarter of 2010.

During the forecast period, population growth in the HMA is expected to moderate as economic conditions continue to strengthen because higher housing costs in the HMA are expected to increase the incentive for jobholders, particularly those with families, to commute from less expensive parts of the MSA. Household growth is also expected to slow, but less dramatically than population growth with the average household size expected to trend downwards. The population of the HMA is expected to increase an average of 1.2 percent, annually, during the next 3 years, whereas the number of households is expected to increase 1.4 percent, annually. Population and household growth in the MSA are expected to increase averages of 1.4 and 1.5 percent, a year, respectively, during the period. Despite drastically reduced foreclosure rates from the 2010 to current period, the homeownership rate

Figure 6: Number of Households by Tenure in the Fulton and DeKalb Counties HMA, 2000 to Current



Note: The current date is August 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

in the HMA is expected to continue to decline during the next 3 years as home prices continue to rise and prospective homebuyers target less expensive parts of the MSA. The rate of decline is expected to be much slower than that since 2010, however, with homeownership declining only 1.0 percentage point by the end of the forecast period. Figure 6 shows the number of households by tenure from 2000 through the current period.

Housing Market Trends

Sales Market

The sales housing market in the Fulton and DeKalb Counties HMA is currently balanced. Demand for homes has generally increased faster than the available supply since the early 2010s, contributing to absorption of inventory, declining sales vacancy rates, and rising home prices. As of August 1, 2018, the overall sales vacancy rate was estimated at 2.1 percent, down from 4.6 percent in April 2010 (Table DP-2 at the end of this report). The inventory of available homes in the HMA in June 2018 was an estimated 2.9-month supply, down from a 3.1-month supply during June 2017 and significantly less than the 9.5month supply during April 2010 (CoreLogic, Inc.).

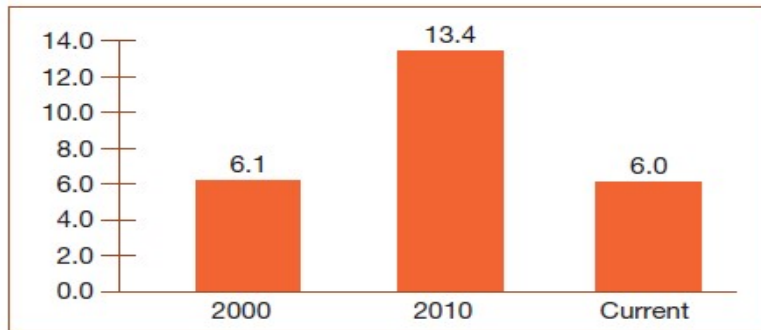
Existing home sales in the HMA peaked at 43,500 homes sold in 2005 but declined during each of the next 6 years to a low of only 19,050 in 2011 because of weakening economic conditions and tightened lending standards (CoreLogic, Inc., with adjustments by the analyst). As existing home sales declined, the volume of real estate owned (REO) sales increased significantly.

As of June 2018, 1.9 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status, down from 2.9 percent in June 2017 and equal to the national rate of 1.9 percent. The current percentage of seriously delinquent loans and REO properties in the HMA represents a significant improvement from a high of 11.0 percent in February 2010, when the national rate was 8.6 percent.

New home sales in the HMA have increased each year since 2011 but remain well below the levels of the mid-2000s housing boom. Average sales prices for new homes remain near all-time highs, but have moderated during the most recent 24 months, with development restarting in some of the more affordable parts of the HMA, particularly the southwestern part of Fulton County. During the 12 months ending June 2018, the number of new homes sold in the HMA increased 6 percent to 4,325, whereas the average sales price of a new home decreased 5 percent, to \$403,500.

Condominium construction in the HMA declined significantly in the late 2000s and remains subdued although sharply rising home prices have recently increased demand for smaller homes, and some notable new developments are underway in the City of Atlanta. From 2005 through 2007, before the housing crisis, an average of 1,600 new condominium units sold annually in the HMA, accounting for 12 percent of all new home sales (Metro study, A Hanley Wood Company).

Figure 8. Rental Vacancy Rates in the Fulton and DeKalb Counties HMA, 2000 to Current



Note: The current date is August 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Table 4: Estimated Demand for New Market-Rate Sales Housing in the Fulton and DeKalb Counties HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
180,000	279,999	2,825	20.0
280,000	379,999	4,225	30.0
380,000	479,999	3,525	25.0
480,000	579,999	1,400	10.0
580,000	679,999	1,400	10.0
680,000	and higher	710	5.0

Notes: Numbers may not add to totals because of rounding. The 3,475 homes currently under construction in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Single-family home construction increased in both 2010 and 2011, but remained at very low levels, averaging only 1,200 homes a year during the period. Rapid absorption of available existing inventory contributed to more significant increases beginning in 2012, however. From 2012 through 2016, the number of single-family homes permitted in the HMA increased an average of 30 percent, annually, to 4,700. During the 12 months ending July 2018,

5,650 single-family homes were permitted in the HMA, a slight decrease from the 5,675 homes permitted during the previous 12 months (preliminary data).

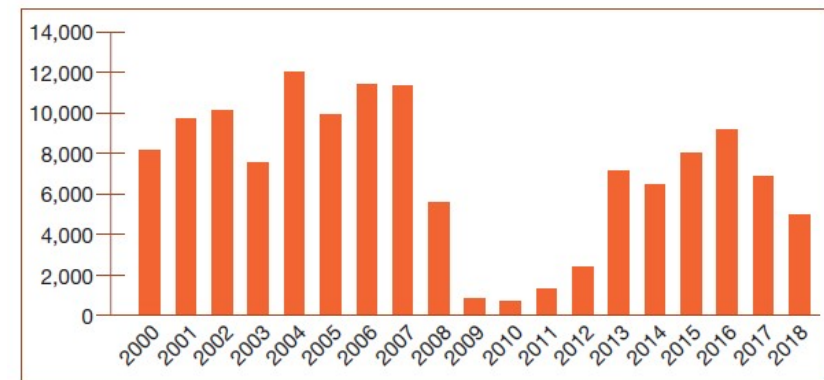
During the 3-year forecast period, demand is expected for an estimated 14,100 new homes in the HMA, which accounts for 19 percent of the estimated demand for 74,150 new homes in the MSA. The 3,475 new homes currently under construction in the HMA, which represent 25 percent of the 14,175 new homes currently under construction in the MSA, will meet some of that demand. Demand for new homes will be relatively stable in the HMA during the forecast period with household growth expected to moderate slightly. Demand is expected to be greatest in the \$280,000-to-\$479,999 price range. Notable demand is also expected in the \$180,000-to-\$279,999 price range, particularly for smaller homes and townhomes in the southern part of the HMA, and for homes with prices more than \$579,999, particularly larger single-family homes in the northern part of the HMA. Table 4 shows the estimated demand for new market-rate sales housing by price range.

Rental Market

The overall rental market in the Fulton and DeKalb Counties HMA is currently balanced with strong rental household growth and relatively low levels of multifamily construction contributing to declining vacancy rates and strong rent growth since the early 2010s. As of August 1, 2018, the overall rental vacancy rate is estimated at 6.0 percent, down from 13.4 percent in April 2018 (Figure 8).

The apartment market in the HMA, which includes about 53 percent of all apartment units in the MSA, is also balanced with a vacancy rate of 5.9 percent during the second quarter of 2018, down slightly from 6.0 percent a year ago and well below the recent second quarter high of 11.8 percent during 2009 (Real Page, Inc., with adjustments by the analyst). Vacancy rates declined in 13 of the 21 Real Page-defined market areas in the HMA during second quarter of 2018 but increased in some market areas within the City of Atlanta due to significant numbers of new apartment completions. The lowest vacancy rate in the HMA was in the Doraville market area, where the vacancy rate declined to 4.3 percent, down from 5.0 percent a year ago. The highest rates, 7.7 and 7.5 percent, were in the Northeast Atlanta and West Atlanta market areas, respectively, where the vacancy rates were 6.2 and 6.0 percent, respectively, a year ago. During the past year, 530 apartment units were completed in the Northeast Atlanta market area, and 900 new units were completed in the West Atlanta market area. Those figures represent 3- and 5percent increases of the respective apartment inventories. Consistent with declining vacancy rates, rent growth in the HMA has been strong since the early 2010s. The average rent in the HMA was \$1,229 during the second quarter of 2018, up 4 percent from a year ago, and 39 percent higher than the average of \$883 during the second quarter of 2013. By comparison, the average rent for the nation was \$1,329 during the second quarter of 2018, up 3 percent from a year ago, and 20 percent higher than \$1,105 during the second quarter of 2013. The City of Atlanta, where approximately 44 percent of apartments

Figure 9. Multifamily Units Permitted in the Fulton and DeKalb Counties HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2018.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2016 final data and analyst estimates; 2017 preliminary data and analyst estimates

in the HMA are, encompasses the three most expensive market areas. The Midtown Atlanta, Buckhead, and Northeast Atlanta market areas had average rents of \$1,734, \$1,617, and \$1,532, respectively, during the second quarter of 2018, increases of 6, 1, and 2 percent, respectively, from the second quarter of 2017. Rent growth was fastest in the Decatur market area, however, where the average rent was \$1,318 during the second quarter of 2018, a 9-percent increase from a year ago. Rents are generally more affordable in the southern part of the HMA with the lowest average rents during the second quarter of 2018, \$819 and \$822, in the South Atlanta and South DeKalb County market areas, respectively.

Builders have responded to the general trend of decreasing vacancy rates and strong rent growth in the HMA with rising levels of multifamily construction since the early 2010s (Figure 9). The HMA has accounted for more than 70 percent of the multifamily units permitted in the MSA since 2013 although the increased vacancy rates in some parts of the City of Atlanta resulted in a reduction in apartment development activity during the most recent 24 months.

Recent apartment construction has generally been concentrated in the City of Atlanta, which has accounted for approximately 64 percent of all apartments completed in the HMA during the past 3 years. Significant apartment development has also occurred in the northern part of the HMA, including the cities of Alpharetta and Sandy Springs. During the past 3 years, nearly 15,400 new apartment units have been completed in the City of Atlanta, with a combined 11,200 of those units located in the Midtown, Buckhead, and Northeast Atlanta market areas, which are to the north of downtown, and an additional 2,350 in the West Atlanta market area.

During the 3-year forecast period, demand is expected for 19,450 new rental units in the HMA, which represents 64 percent of the forecast rental demand for the MSA. Demand is expected to moderate slightly during the period as rental household growth slows. Demand will be strongest for two-bedroom units with monthly rents ranging from \$1,400 to \$1,599, but also will be notable for one-bedroom units with rents ranging from \$950 to \$1,349 (Table 5). The 13,150 new rental units under construction and an estimated 4,025 additional units currently in the pipeline will likely satisfy much of the demand during the next 2 years.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Fulton and DeKalb Counties HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
700 to 899	630	950 to 1,149	2,050	1,200 to 1,399	1,350	1,450 to 1,649	490
900 to 1,099	190	1,150 to 1,349	2,050	1,400 to 1,599	2,375	1,650 to 1,849	970
1,100 or more	150	1,350 to 1,549	1,350	1,600 to 1,799	1,350	1,850 to 2,049	1,450
		1,550 to 1,749	1,025	1,800 to 1,999	1,025	2,050 to 2,249	1,225
		1,750 or more	340	2,000 or more	680	2,250 to 2,449	490
						2,450 or more	240
Total	970	Total	6,800	Total	6,800	Total	4,850

Notes: Monthly rent does not include utilities or concessions. Numbers may not add to totals because of rounding. The 13,150 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst



METRO ATLANTA KEY FIGURES (2009-2018)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population¹	5,240,828	5,286,728	5,366,252	5,444,763	5,511,323	5,594,545	5,688,284	5,790,280	5,874,249	5,949,951
Annual Net Population Gain	70,729	45,900	79,524	78,511	66,560	83,222	93,739	101,996	83,969	75,702
Annual Growth Rate	1.40%	0.90%	1.50%	1.50%	1.20%	1.50%	1.70%	1.80%	1.50%	1.30%
Labor Force²	2,722,616	2,720,044	2,760,194	2,791,002	2,789,870	2,800,382	2,839,002	2,941,617	3,035,596	3,071,570
Employment²	2,452,057	2,440,037	2,486,895	2,545,474	2,572,589	2,611,988	2,677,148	2,791,452	2,898,961	2,955,581
Unemployment Rate²	9.90%	10.30%	9.90%	8.80%	7.80%	6.70%	5.70%	5.10%	4.50%	3.80%
Nonagricultural Employment²	2,296,900	2,276,000	2,311,700	2,354,200	2,414,300	2,503,200	2,582,200	2,664,800	2,727,500	2,785,900
Annual Net Job Creation ²	-136,500	-20,900	35,700	42,500	60,100	88,900	79,000	82,600	62,700	58,400
Annual Growth Rate	-5.60%	-0.90%	1.60%	1.80%	2.60%	3.70%	3.20%	3.20%	2.40%	2.10%
Gross Domestic Product (billions)³	\$269.60	\$272.30	\$280.70	\$291.50	\$307.70	\$326.50	\$347.60	\$369.80	\$385.50	tbd
Total Personal Income (billions)³	\$199.40	\$203.50	\$219.70	\$225.90	\$229.70	\$248.80	\$264.80	\$277.70	\$292.20	tbd
Per Capita Personal Income³	\$38,040	\$38,380	\$40,892	\$41,448	\$41,640	\$44,397	\$46,444	\$47,920	\$49,657	tbd
Total Housing Units Authorized by Building Permits⁴	6,533	7,575	8,634	14,380	24,297	26,683	30,342	36,357	33,832	39,132
Single Family	5,421	6,384	6,214	9,167	14,824	16,984	19,995	23,100	24,973	26,097
Multi-Family & Apartments	1,112	1,191	2,420	5,213	9,473	9,699	10,347	13,257	8,859	13,035
Hartsfield-Jackson International Airport 5										
Total Operations (takeoffs & landings)	970,235	950,119	923,996	930,310	911,074	868,359	882,497	898,356	880,342	895,682
Total Passengers	88,001,381	89,331,662	92,389,023	95,513,828	94,431,224	96,178,899	101,491,106	104,171,935	103,934,717	107,394,029
International Passengers	8,832,195	9,139,022	9,856,954	9,854,343	10,258,133	10,784,219	11,233,303	11,475,615	12,501,023	12,065,290
Total Freight (metric tons)	554,888	643,502	663,162	654,013	616,365	601,270	626,201	648,595	691,269	693,790

NOTES:

1: Population figures for 2001-2009 and 2011-2018 are annual estimates by the U.S. Census Bureau between decennial Censuses; figure for 2010 is decennial Census count; all population figures based on 29-county Atlanta MSA delineation

2: Georgia Department of Labor; U.S. Bureau of Labor Statistics, not seasonally adjusted

3: U.S. Bureau of Economic Analysis, current dollars

4: U.S. Census Bureau, Manufacturing & Construction Division

5: Hartsfield-Jackson Atlanta International Airport

https://www.metroatlantachamber.com/assets/key_figures_2001_to_2018_5_15_19_717xw26.pdf