

ANDP

Addressing Metro Atlanta's Affordable Housing Crisis THE ANDP LOAN FUND

OUR MISSION

ANDP develops, finances and advocates for affordable housing at scale that promotes racial equity and healthy communities where families thrive.



THE PROBLEM Metro Atlanta is facing a historic housing shortage when well-positioned developers of affordable housing have great difficulty accessing capital from traditional financing sources.

More than half of Atlanta's families are house burdened, spending 30% or more of their income on housing. There's a 30% gap in homeownership between white and Black households. In recent years, the City of Atlanta has been losing 1,500 affordable units annually, while only 5% of newly developed units have been affordable to low- and moderate-income families. Metro Atlanta has less than one month's supply of housing stock - compared to a healthy market's six-month supply.

Metro Atlanta has the nation's 4th highest growth rate in the past decade, adding more than 730,000 residents added to its 6 million population. Current statistics indicate a current deficit of 300,000 low-income rental units and a need for at least 100,000 new affordable units over the next decade.

Development of affordable rental or homeownership housing is not keeping up with the market demand. Developers of affordable housing consistently point to the lack of access to flexible, low-cost capital as their greatest challenge.

WHY IT MATTERS Small developers are well-positioned to know where and how the affordable housing need can best be met. Providing developers with access to low-cost capital can help meet the affordable housing need.

Small, locally-based developers in metro Atlanta are increasingly the leading providers of affordable housing. But these organizations struggle with access to capital for their projects. They may have difficulty obtaining traditional financing because the loan is perceived as too risky, the developer needs more flexible terms than the bank will allow, or the financing fees are more than the developer can afford.

Before 2009, locally-based builders, often Black general contractors (GCs), produced most of the affordable for-sale homes in the communities ANDP serves. However, the housing crisis of 2008 decimated much of the capacity of these small GCs, leaving the large national home builders to dominate the market.

Providing low-cost capital to these re-emerging developers, especially local Black-owned organizations, will increase the scale of affordable housing while also expanding economic opportunity and improving the quality of life for low-income people and communities.

SOLUTIONS By engaging in innovative partnerships to strengthen operations and grow the Loan Fund, ANDP provides low-interest loans to support for-profit and nonprofit organizations that share the organization's dedication to affordable housing.



