Population Growth, Employment, and Housing Market:

According to the most recent Census, the Atlanta MSA has a population of 5.27 million which has increased by an average of approximately 102,000 people (2.4 percent) each year since 2000 – including an average of 55,000 new residents that moved to the area. Migration was the most rapid between 2005 and 2007 when an average of 62,000 jobs a year were added. Population growth peaked at 160,000 in 2006 but has since slowed to less than half that level. Household growth averaged 2.5 percent annually between 2000 and 2010, but net annual housing unit growth at 3.2 percent exceeded corresponding population and household growth rates.

<table>
<thead>
<tr>
<th>Atlanta Housing Unit Growth Outpaced Population and Household Growth During the Past Decade</th>
<th>Date of Census</th>
<th>4/1/2000</th>
<th>4/1/2010</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta MSA Population</td>
<td>4,247,636</td>
<td>5,268,860</td>
<td>-</td>
<td>2.4%</td>
</tr>
<tr>
<td>Atlanta MSA Households</td>
<td>1,554,154</td>
<td>1,937,225</td>
<td>-</td>
<td>2.5%</td>
</tr>
<tr>
<td>Atlanta MSA Housing Units</td>
<td>1,644,572</td>
<td>2,165,495</td>
<td>-</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Source: Census Bureau (2000 and 2010 Decennial) with 2000 Data Adjusted to Reflect 2010 MSA Definition.

From 2008 through 2010, Atlanta and surrounding cities lost a total of 194,000 jobs — and the area continues to shed jobs. While employment in the U.S. increased by 1 percent in the third quarter of 2011 from a year earlier, local employment in Atlanta fell by 26,000 jobs, or 1.1 percent, during the same period. More than half of job losses in the Atlanta MSA over the past year were from the financial services sector (11,300) and construction (7,000), primarily as a result of continued...
weakness in the local housing market. Also, there was a
decline in government sector jobs (12,700) as a result of
state and local budget cuts. The local economy added jobs
in transportation and utilities (4,400), manufacturing (4,200),
and professional and business services (2,200). The average
unemployment rate for the Atlanta MSA was 10.1 percent in the
third quarter of 2011, down slightly from 10.2 percent a year
earlier. The national average unemployment rate during the
same period was 9.1 percent, down from 9.6 percent.

Home sales in the Atlanta MSA remain sluggish, with existing
home sales on the decline since 2006 and new home sales
declinning since 2005. During the first eight months of 2011,
extisting home sales fell by 13 percent compared to the first
eight months of 2010, while new home sales fell by 29 percent,
according to CoreLogic. The high proportion of distressed
sales, which currently accounts for 39 percent of all existing home
sales in the Atlanta market and is well above the national rate
of 27 percent—has weakened Atlanta home prices overall.
The CoreLogic repeat-sales house price index shows that home
prices in Atlanta rose at just one-third the national pace between
2000 and 2005. Although home prices in Atlanta did not
inflated as they did in much of the nation, prices nonetheless
decreased 24 percent from their peak in December 2006 to their
low in March 2009, nearly as high as the national average
peak-to-low decline of 31 percent. Home prices in Atlanta
have shown signs of rebounding since early 2009, but they
remain at low levels not seen in more than a decade. The
rental market in Atlanta is showing signs of improvement, but
like the sales market, it remains fragile. According to Reis Inc.,
the overall apartment vacancy rate in Atlanta was 8.4 percent
in the third quarter of 2011, down from 10.6 percent a year
earlier but well above the national average of 5.6 percent.
During the third quarter of 2011, average rents increased by 2
percent from a year ago to $860. The average rent nationwide
increased by 2 percent to $1,060 during the same period.

Trends in Mortgage
Delinquencies and Foreclosures:

Homeowners in Atlanta are still struggling with high levels of
mortgage delinquency and foreclosure, although conditions have
improved since February 2010. As of September 2011, the
Atlanta metro area ranked 73rd out of 366 metropolitan areas
for the percentage of mortgages at risk of foreclosure (90 or more
days delinquent or in the process of foreclosure) according to LPS
Applied Analytics. Through the efforts of numerous state and local
entities in partnership with the federal government, the number of
mortgages at risk of foreclosure in the Atlanta area declined
from approximately 73,500 (8.7 percent of all mortgages) in
September 2010 to 65,100 (7.5 percent) in September 2011,
compared with a national decline from 7.3 to 6.9 percent.
CoreLogic data since 2000 show that the share of mortgages 90
or more days delinquent, which includes loans in the foreclosure
process or bank owned, has been consistently higher in Atlanta
than in the nation. Since its January 2010 high of 10.7 percent,
the rate of mortgages 90 or more days delinquent has fallen to
8.9 percent; national rates declined from 8.5 percent to
7.2 percent over the same period. Realty Trac data show that
although the foreclosure rate in Atlanta remains higher than in
the nation overall, it shows improvement for the most part since
The Administration’s Efforts to Stabilize the Atlanta Housing Market:

From the launch of the Administration’s assistance programs in April 2009 through the end of September 2011, approximately 135,800 mortgage assistance interventions have been offered to homeowners in the Atlanta metropolitan area. More than 114,300 interventions were offered through the Home Affordable Modification Program (HAMP) and the Federal Housing Administration (FHA) loan mitigation and early delinquency intervention programs. An estimated additional 21,500 proprietary modifications have been offered through HOPE Now Alliance servicers. While some homeowners may have received help from more than one program, the number of times assistance has been offered is nearly one and one-half times the number of foreclosures completed during this period (92,800) in the Atlanta MSA.

In addition to offers of mortgage aid to homeowners, the Administration’s Neighborhood Stabilization Program (NSP) and Hardest Hit Fund have helped to stabilize the Atlanta housing market. Piece by Piece, a local initiative organized by members from both the public and private sectors with the assistance of the local and regional HUD offices, has also helped residents avoid foreclosure.

Given over three rounds, the Neighborhood Stabilization Program has invested $7 billion nationwide to help localities work with non-profits and community development corporations to turn tens of thousands of abandoned and foreclosed homes that lower property values into homeownership opportunities and the affordable rental housing that communities need. In addition to stabilizing neighborhoods and providing affordable housing, NSP funds have helped save jobs. Each home purchased, rehabbed and sold through the NSP program is the result of the efforts of 35 to 50 local employees.

Overall, a total of $91.2 million has been awarded to seven grantees in the Atlanta MSA: the City of Atlanta and the counties of Cobb, Clayton, DeKalb, Fulton, Gwinnett, and Paulding. The jurisdictions received $68.3 million in NSP1 funds and $22.9 million in NSP3 funds. The State of Georgia has also received $97.0 million in NSP funds to be used across the state for neighborhood stabilization. Approximately 511 households have already benefited from NSP, and activities funded by the program are expected to provide assistance to an additional 2,177 owner and renter households. Here are some examples of how these funds have been put to use:

<table>
<thead>
<tr>
<th>Atlanta MSA NSP Activity (Housing Units)</th>
<th>Projected</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSP1 Total</td>
<td>957</td>
<td>511</td>
</tr>
<tr>
<td>Clearance and demolition</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Construction of new housing</td>
<td>41</td>
<td>0</td>
</tr>
<tr>
<td>Homeownership assistance to low- and moderate-income</td>
<td>167</td>
<td>99</td>
</tr>
<tr>
<td>Rehabilitation/reconstruction of residential structures</td>
<td>733</td>
<td>396</td>
</tr>
<tr>
<td>NSP3 Total</td>
<td>1220</td>
<td>0</td>
</tr>
<tr>
<td>Clearance and demolition</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Homeownership assistance to low- and moderate-income</td>
<td>992</td>
<td>0</td>
</tr>
<tr>
<td>Rehabilitation/reconstruction of residential structures</td>
<td>216</td>
<td>0</td>
</tr>
</tbody>
</table>
The Obama Administration’s Efforts to Stabilize The Housing Market and Help American Homeowners | November 2011

- **NSP funds in the Atlanta MSA** provided the opportunity for more than 180 female heads of household to purchase homes with an affordable mortgage if their income was at or below 50 percent of area median income (AMI).

- The **City of Atlanta** secured a $600,000 grant from the Green Home Advantage Program via Enterprise Community Partners and The Home Depot Foundation to improve air quality and reduce water and energy consumption in NSP homes. Buyers of green designated homes can save more than a third on utility expenses. Another innovative NSP program used green rehab practices developed by South Face and Enterprise Community Partners to lower utility costs. Money netted from home sales are being re-circulated back into the construction of other NSP eligible activities.

- The **City of Atlanta**, in partnership with developers and other firms, leveraged $2.8 million to acquire and rehabilitate or demolish 265 units. Twenty-two blighted units were removed and 48 units have been rehabilitated so far. Twenty of the properties have been sold to homeowners and 22 have been rented to income eligible households. In some cases, NSP financing was provided towards the purchase of these foreclosed properties.

- The sale of NSP homes in **DeKalb County** has not only brought new life to once vacant properties, but has introduced higher-value market sales creating a “spillover” effect that is helping to stabilize communities, protect existing residents from further erosion of household wealth, stimulate lending, and attract private investment to these neighborhoods.

- In **Cobb County**, as part of a comprehensive strategy to partner with others and build a stronger, more sustainable community, NSP funds were used to rehabilitate Cedar Pines Apartments, a blighted 168 unit apartment complex. The project revitalized a substandard apartment complex and turned it into a highly desirable residential community. The complex is strategically located near local transportation and other amenities. More than half of the units are available for people with incomes at or below 50 percent of AMI.

- The **County of Gwinnet** used NSP funds to purchase 15 unfinished homes in Avington Glenn, a subdivision abandoned by its developers before completion. The completion of the homes revitalized the neighborhood and slowed the decline of home prices in the area. Nine of the homes have already been sold to eligible homebuyers.

In late 2010, more than 400 public and private sector housing stakeholders representing 140 agencies from across the Atlanta area organized an innovative local foreclosure response program, the **Piece by Piece** (PBP) initiative, which harnesses their collective forces to prevent foreclosures and to help reoccupy vacant and abandoned homes. The PBP leadership team includes local, regional, and national organizations such as the Atlanta Neighborhood Development Partnership, the Atlanta Regional Commission, CredAbility, Enterprise Community Partners, the Federal Reserve Bank of Atlanta, the Greater Atlanta Home Builders Association, the Home Depot Foundation, the National Housing Conference, and NeighborWorks America. The HUD Atlanta Regional Office has worked very closely with the leadership team from the earliest stages of the initiative to develop benchmarks of accountability. The **Piece by Piece** initiative has yielded major success in the local housing market:

- **Elevating local solutions to help heal the Atlanta metro market.** Under the coordination of the Atlanta Regional Commission, the top leadership from five Atlanta area counties—Clayton, DeKalb, Fulton, Gwinnett, and Rockdale—participated in a roundtable discussion of county-based solutions and best practices in addressing foreclosure, some of which are funded through the Administration’s NSP program. Local NSP managers and other government staff from across the region meet monthly at the Atlanta Regional Commission and via web-conferencing to collaborate on a wide range of foreclosure mitigation challenges and opportunities.

- **Putting vacant homes back into positive use.** Under the leadership of the Westside Home Builders Association, **Douglas County** has implemented a local initiative to rehabilitate and sell foreclosed homes in the county. The Douglas County Initiative engages local home builders for the rehabilitation work, local real estate professionals for the sale transactions, and local lenders for mortgage lending products which are critical to the survivability of the local homebuilding industry. In addition, PBP partners jointly sponsored an information session for more than 150 housing professionals on mortgage lending products such as HUD’s Section 203(k) which can help homebuyers or investors finance the purchase and rehabilitation of foreclosed homes.

As part of the State of Georgia’s housing recovery efforts, the **HomeSafe Georgia** program was launched on April 1, 2011 to help approximately 18,000 Georgia homeowners who have experienced a substantial decrease in income due to job loss or underemployment, by providing a mortgage payment bridge while they seek new or better employment. HomeSafe Georgia is funded by a $339 million grant from the Administration’s **Hardest Hit Fund** and administered by the Georgia Department of Community Affairs (DCA) under contract with the Georgia Housing and Finance Authority’s GHFA Affordable Housing, Inc.

Assistance is provided in one of two ways:

**Mortgage Payment Assistance:** Under this program, the homeowner’s monthly mortgage payment is paid directly to the lender for up to 18 months. The homeowner’s household income is reviewed to determine the level of assistance needed and the minimum mortgage payment that may be contributed by the borrower. Eligible homeowners close on a 0 percent interest rate subordinate loan similar to a home equity line of credit. Following the assistance period, the loan will be forgiven at a rate of 20% per year for five years.

**Reinstatement Assistance:** Under the Reinstatement Assistance program, a one-time payment is made to the lender to cover up to 6 months of missed mortgage payments and lender fees.

To date, more than 80 mortgage servicers have agreed to participate in at least one of the **Home Safe** programs. Georgia homeowners who believe they may be eligible for these programs should visit [www.homesafgeorgia.com](http://www.homesafgeorgia.com). Georgia has these funds available until 2017 or until all funds are expended to help struggling homeowners and prevent avoidable foreclosures.