# **HOMELESS TO HOUSED** Terwilliger Center for Housing





The Melody project site displays the layout with the housing facilities (former shipping containers), outdoor spaces with seating and decor, green spaces, and the surrounding neighborhood. (Courtesy of Gregg Willett)

### CASE STUDY: THE MELODY



The comfortable unit includes a wardrobe, mini-refrigerator, sink, desk with chair, and bed. (Courtesy of Gregg Willett)

### ATLANTA, GEORGIA

LOCATION:

184 Forsyth Street SW Atlanta, Georgia

### **PROJECT TYPE:**

The Melody in Atlanta, Georgia, is a groundbreaking rapid housing project that comprises 40 studio apartments repurposed from 20 shipping containers. The micro-units include a bedroom and kitchenette and are designed with the mental well-being of residents in mind. The Melody will serve as a model for future immediate housing solutions.

### SIZE:

Lot Size: 0.7 acres Facility Size: 30,000 square feet Total Capacity: 40 innovative micro-units/studio apartments

### OWNER:

Partners for HOME (PfH) Inc.

### **OPERATOR:**

HOPE Atlanta (supportive services) and TI Asset Management (property management)

#### **PARTNERS:**

PfH, HOPE Atlanta, TI Asset Management, Atlantica Properties, The Beck Group, BMarko

### COST:

\$5 million

**COMPLETION DATE:** January 2024

#### CONTACT:

Partners for HOME Cathryn Vassell, CEO cvassell@partnersforhome.org



Outdoor seating areas are found between the residential units, providing residents the opportunity to easily gather. (Courtesy of Gregg Willett)

# **Project Overview**

The Melody represents a historic achievement for the city of Atlanta, Georgia. It took four months to complete this groundbreaking project, making it the fastest housing development solution in the city's history. The Melody is located on a publicly owned lot near public transportation at 184 Forsyth Street SW. It was the first project of Mayor Andre Dickens's administration's Rapid Housing Initiative. Repurposing 20 shipping containers to serve as 40 studio apartments was an innovative solution because it allowed for speedy construction as well as the ability to relocate units to another site if needed.

The project was designed to address the needs of community members who are unhoused and currently live near the downtown area. Named after Melody Bloodworth, who struggled with homelessness and inspired citywide initiatives to support Atlantans facing housing obstacles, the project focuses on trauma-informed care and design. Residents have access to customized support services HOPE Atlanta provides to ensure their unique needs and goals are met. Partners for HOME (PfH) refers individuals and families to The Melody if they meet certain eligibility criteria, which include experiencing homelessness or having a history of chronic homelessness and having an annual income at or below 30 percent of the area median income (AMI) at the time of initial occupancy.

PfH is a nonprofit founded in 2015 that serves as a collaborative applicant for the Atlanta Continuum of Care as part of a larger response system to address the housing needs of Atlantans who experience homelessness. HOPE Atlanta brings over 120 years of experience supporting the well-being and development of the city. Originally known as Travelers Aid, in 2009, the organization was officially renamed HOPE Atlanta and focused on identifying the causes of homelessness and helping residents who needed access to housing.

# The Partnership

Robust and effective partnerships are crucial for addressing multifaceted issues, such as the lack of affordable housing and the need to support unhoused community members. As the thought leaders and primary financier, the City of Atlanta contracted PfH to serve as the project's owners and spearhead the Rapid Housing Initiative established by Mayor Andre Dickens. The purpose of the initiative is to create 500 new housing units for Atlanta's unhoused population by the end of 2025.

As a private, nonprofit organization, PfH can be nimble as it relates to decision-making, procurement, and project execution. For example, PfH acquired shipping containers to be repurposed. Half of the shipping containers were donated by the Georgia Emergency Management Agency. These containers were previously used as components in temporary hospitals, constructed during the peak of the COVID-19 pandemic. The other half of the containers were prefabricated.

PfH hired Atlantica Properties to serve as the master developer for the Rapid Housing Initiative. The Melody is the first of many projects that will be developed by Atlantica Properties—an experienced owner, operator, and developer of affordable housing with the unique skills to deliver innovative, quickdelivery projects. Atlantica Properties hired The Beck Group to serve as the project's architects and general contractor and BMarko Structures to lead the team in modular construction and manufacture the containers for this project.

Local nonprofit HOPE Atlanta provides residents with crucial wraparound services. TI Asset Management leads the property management team. The Melody was a result of community-based organizations, architectural and construction firms, and governmental offices working together to realize innovative housing ideas.

# **Costs and Financing**

The Melody is a \$5 million project funded by the City of Atlanta Housing Trust Fund and Invest Atlanta Housing Opportunity Bond, each contributing \$2.5 million. The ownership structure is a cooperation between the City of Atlanta and Partners for HOME. The City and PfH entered into a land lease agreement



ADA-accessible roll-in showers include a folding shower seat, a grab bar, and shower controls with a handheld shower head. (Courtesy of Gregg Willett)

that allows PfH to operate The Melody while the city maintains ownership of the land. The structure also creates a property tax exemption that helps keep the operating costs low. Partners for HOME oversees the improvements on the land (e.g., containers). Additionally, Atlanta Housing is providing HomeFlex project-based vouchers that provide operating revenue for the project.

# What Worked: The Project

The Melody is located at 184 Forsyth Street SW in downtown Atlanta. It is a transit-oriented development near the Garnett MARTA transit station. Additionally, it is close to pharmacies, hospitals, and parks, providing residents with easy access to essential amenities and community resources. With a 100 percent occupancy rate, it effectively responds to the needs of Atlanta's unhoused population in a timely manner, highlighting the importance of solutions that are accessible to people where they live, are flexible and comprehensive, and can provide housing quickly.



The well-equipped dining area has ample seating, large refrigerators, and other kitchen appliances. (Courtesy of Gregg Willett)

The Melody is a blueprint for future rapid housing solutions addressing such objectives. The modular approach to construction, combined with repurposing shipping containers, enabled the project to be completed within four months. For example, Atlantica Properties decided to use a design-build delivery method to create efficiencies between the design and construction activities. The following systems were added to the repurposed containers: insulation, fire alarm, sprinklers, water and sewer connections, and millwork, ensuring they are safe and functional for residents. The units are mobile, so they can be relocated if necessary. This option allows the project's current site to be used or developed in the future.

The City of Atlanta plan review departments also played an important role in getting the project permitted for construction. Namely, they fast-tracked the permitting process, which was pivotal in delivering the project in just four months. The various city departments prioritized the plan review and inspection tasks, which can often take several weeks or months for typical projects. The City also leveraged its relationship with Georgia Power to quickly procure essential electrical equipment that would have taken several months to secure without this special relationship.

# What Worked: The Program

The Melody is a catalyst for positive and sustainable change in Atlanta. The project's first residents moved in February 2024 and have access to services, including comprehensive case management, health and employment support, and food assistance. All units include a kitchenette, a bedroom, and an ADAaccessible bathroom. The grounds include communal spaces where residents can get together, a garden, and a dog park surrounded by trees. There is one dedicated module on-site tailored for community building, which includes offices, laundry facilities, and a kitchenette.

# Challenges

The Melody faced challenges that represent larger issues in obtaining resources and support to address the lack of affordable housing and the needs of unhoused community members. For example, there is a scarcity of property management companies that choose to work in the permanent supportive housing (PSH) space. Therefore, it is essential to overcome this challenge by working with organizations that provide this service. The Melody resolved this challenge by collaborating with TI Asset Management Inc., one of the few service providers in the Atlanta market that provides professional property management for PSH.

While The Melody's tiny-home community has been a positive development for residents, tiny-home living is not necessarily ideal for all seeking housing, so it is important to create more PSH options that are larger and can accommodate families.

Another project challenge has been securing ongoing funding for supportive services, as the project-based voucher income covers operating costs. To address this, PfH has launched a major fundraising effort aimed at partially covering these costs. Additionally, they are working with Fulton County and the State of Georgia to secure funding for supportive services, ensuring residents continue to receive the comprehensive support they need.

### Outcomes

The Melody has garnered widespread enthusiasm from government agencies, philanthropic organizations, and private developers, recognizing its potential for addressing housing challenges. In addition to its growing impact, the project has already received prestigious awards celebrating its innovative approach to development and excellence in affordable housing design and special use. A major highlight and testament to the groundbreaking work done at The Melody is that it was recently selected as one of over 500 cities globally to participate in the Bloomberg Cities Idea Exchange. The Idea Exchange provides a platform for The Melody project team to disseminate their approaches and strategies, which helped address lengthy and expensive traditional shelter development and the housing stock gap in temporary and permanent supportive housing. These are issues other cities face and can learn from through an exchange of expertise and insight.

# HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME The Melody		
LOCATION 184 Forsyth St	treet SW, Atlanta, Georgia	
SPONSORS Partners for H	IOME Inc., HOPE Atlanta, TI Asset Management	
NUMBER OF UNITS/RESIDENTS SERVED 40		
SIZE (SQUARE FOOTAGE)	30,000	

#### **BRIEF DESCRIPTION**

The Melody in Atlanta, Georgia, is a groundbreaking rapid housing project that comprises 40 studio apartments repurposed from 20 shipping containers. The micro-units include a bedroom and kitchenette and are designed with the mental well-being of residents in mind. The Melody will serve as a model for future immediate housing solutions.

DEVELOPMENT PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
USE OF FUNDS		
Acquisition of land and/or building	0	0
Architecture, engineering, and entitlement costs	350,000	8,750
Construction costs	4,400,000	110,000
Legal and professional costs	0	0
Additional equipment and related costs	75,000	1,875
Development fees	200,000	5,000
Interest during construction	0	0
Real estate taxes during construction	0	0
Total uses, capital cost	5,025,000	125,625
SOURCE OF FUNDS		
Permanent debt	0	0
Equity	0	0
Philanthropic capital, government grants, or similar	5,025,000	125,625
Total sources	5,025,000	125,625
OPERATING PRO FORMA	TOTAL (\$)	PER RES./UNIT (\$)
ANNUAL REVENUE		
Revenue from residents	0	0
Revenue from resident-related sources (vouchers, etc.)	528,000	13,200
Revenue from other sources (grants, philanthropy)	0	0
Support for wraparound services	515,000	12,875
Total revenue	1,043,000	26,075
ANNUAL EXPENSES		
PROPERTY OPERATIONS		
Salaries	100,000	2,500
Repairs and maintenance	35,000	875
Utilities	68,000	1,700
Taxes	0	0
Insurance	48,000	1,200
Other property-related expenses	165,000	4,125
Total property operations	416,000	10,400
RESIDENT SERVICES		
Salaries	380,000	9,500
Contract services	0	0
Other resident-related expenses	135,000	3,375
Total resident services	515,000	12,875
Total expenses	931,000	23,275
Net revenue	112,000	2,800

### About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in 1936, the Institute has more than 48,000 members worldwide representing all aspects of land use and development disciplines.

# About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies: <u>uli.org/h2h.</u>

uli.org/homelessness homelessness@uli.org

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