The Georgia Department of Community Affairs (DCA) administers Georgia’s Community Development Block Grant (CDBG) program which provides over $40 million in federal funds as grants annually to Georgia’s non-entitlement communities.

Grants are available to cities and counties outside major metropolitan areas for a wide range of eligible activities that principally benefit low- and moderate-income persons. Eligible activities include:

- Public facilities such as after school programs, homeless shelters, senior centers and more;
- Infrastructure to serve neighborhood and business needs such as water and sewer lines, streets, drainage, and sidewalks;
- Emergency relief from natural disasters or other unforeseen events;
- Housing assistance through down-payment assistance and homeowner rehabilitation;
- Public buildings such as local health centers or head start centers;
- Infrastructure projects and loans that support more jobs for low- to moderate income persons;
- Economic development projects.

Funds are available during one competitive round annually and through set-asides. The maximum amount available per applicant is $500,000 for single-activity proposals and $800,000 for multi-activity proposals.
CDBG Stories

In the stories that follow, the State Programs are playing a pivotal role, providing the seed capital and leveraging of local private and public funds needed for these communities to create and implement their own local solutions. These stories illustrate the tremendous role these programs play in funding community development in Georgia’s smaller communities. The following is a tiny sample of the types of assistance provided throughout the state.

**CDBG Economic Development: Jobs and Vitality**

The City of Washington requested CDBG-Redevelopment Funds (RFP) to rehabilitate the historic Fitzpatrick Hotel, a Victorian era building constructed in 1900. The hotel had been vacant and deteriorating for twenty years. The City had not been able to “make the numbers work” with three other developers over the twenty-year period; however, CDBG’s low interest loan made the financial package feasible. The 24,000-square-foot three-story building anchors a corner of the historic downtown courthouse square and is listed on the National Register of Historic Places.

Roof leaks and the collapse of a second story area resulted in extensive damage to the first floor areas. The remainder of the building was generally structurally sound, but the second floor required emergency stabilization to prevent a collapse, and the back wall of the building and the roof structure required stabilization. The City was also concerned that the vacant building would continue to deteriorate and posed a threat to public health and safety. The City passed a “spot basis” resolution declaring the property as “slum and blight”. According to a city official, “It’s not a stretch to state that the building was one small step away from being demolished due to parts of the building falling on the public sidewalk.”

The City loaned RFP proceeds to the developers to make roof, exterior brick and structural repairs to the building. The developers rehabilitated the property into a full service hotel (including a restaurant) with three storefronts that are leased to commercial tenants.

**Innovative Features:**
- CDBG funding not only replaced blight with the preservation of a treasured hotel, but also created economic vitality with the creation of five (5) new businesses and fifteen (15) new full-time jobs;
- Thirteen new jobs were filled by low-and moderate-income people;
- Over a 20-year period, the city worked with 4 developers to try to make the finances work to renovate a local architectural treasure;
- A major blighting influence in one of Georgia’s most historic rural downtowns was eliminated;
- CDBG dollars made the financial package feasible and were necessary for the bank’s participation;
- A historic hotel was restored;
- The Fitzpatrick was the major anchor building in the downtown but had been mostly vacant since it ceased as an operating hotel in 1952.

The total project cost was $1,431,666. In addition to RFP funding, a local bank provided loans totaling $976,000 for rehabilitation costs, furniture, soft costs and professional services. The developers injected $205,666 in equity for the building purchase and operating expenses.
**CDBG for Emergency Relief**

DCA’s **Immediate Threat and Danger** program provides grants up to $50,000 for local governments facing a sudden and serious threat to the health and welfare of their community due to a natural disaster or other unexpected events.

In March 2007, tornados ripped through Southwest Georgia, killing nine people, and leveling homes and businesses in a twelve-county area. The storms left a wide path of destruction eight miles long and up to one mile wide near Americus, where DCA response to the disaster was swift. By May, a plan was in place to provide the City of Americus with $200,015 to rehabilitate seven homes and relocate approximately eight families.

**CHIP for Support of Home Ownership**

The **Community HOME Investment Program (CHIP)** was created for local governments wishing to develop or preserve affordable housing in their communities. The funding for the CHIP Program comes from Georgia’s **HOME allocation**.

CHIP funds can be used to stimulate the production or rehabilitation of single-family and rental housing through a combination of financing techniques including rehabilitation loans, development subsidies, construction lending, loan guarantees, and permanent mortgage financing. The total annual funding level is approximately $3,000,000 with a maximum amount awarded per local government applicant of $300,000.

In the past eleven years, DCA has awarded $42.4 million in CHIP funding to local governments. $24.9 million has been expended on CHIP projects. The other $17.5 million is actively at work today creating and sustaining affordable housing.
Revitalization Area Strategies

DCA launched the CDBG Revitalization Area Strategy program in 2005 with the goal of encouraging strategic thinking about revitalization in high poverty areas. The program awards bonus points, the ability to apply annually, and planning funds for projects within Revitalization Areas. Criteria for establishing a Revitalization Area Strategy include the adoption of an urban redevelopment plan, economic development tools, stakeholder participation and funding partnerships in census block groups of 20 percent or greater poverty. As of the 2007 CDBG competition, there are 11 designated Revitalization Area Strategy communities, nine of which have received recent DCA funding.

DCA has emphasized in the last several years the importance of focusing resources on areas of significant poverty. DCA has provided additional rating points for the CDBG and CHIP annual competitions for those communities that have developed comprehensive neighborhood revitalization programs to target areas in need of revitalization. During the FFY 2008 CHIP funding round, DCA will offer additional CHIP funding on a competitive basis for those communities that have earned DCA’s Revitalization Area Strategy designation or have an approved HUD Revitalization Area.

This CHIP opportunity will allow all DCA-Designated Revitalization Area Communities and all HUD-Approved Revitalization Area communities otherwise eligible for CHIP funding to apply for additional CHIP funds.

The maximum grant amount available under the CHIP Revitalization Area Set-Aside is $200,000. An applicant may apply for both a CHIP Annual Competition award and a CHIP Revitalization Area Set-Aside award if eligible for both.

Any eligible CHIP applicant that has been designated as a DCA Revitalization Area Strategy Community or a HUD-Approved Revitalization Area community may apply for a CHIP Revitalization Area Set-Aside award.

<table>
<thead>
<tr>
<th>Community</th>
<th>Year Established</th>
<th>Funding Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomson/McDuffie County</td>
<td>2005</td>
<td>$780,415</td>
</tr>
<tr>
<td>Hall County</td>
<td>2005</td>
<td>$790,881</td>
</tr>
<tr>
<td>Ocilla</td>
<td>2005</td>
<td>$766,709</td>
</tr>
<tr>
<td>Barnesville (Including CHIP)</td>
<td>2006</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>LaGrange</td>
<td>2006</td>
<td>$500,000</td>
</tr>
<tr>
<td>Fitzgerald—(Including CHIP)</td>
<td>2007</td>
<td>$200,000</td>
</tr>
<tr>
<td>Hall County—(Including CHIP)</td>
<td>2007</td>
<td>$200,000</td>
</tr>
<tr>
<td>Rome—(Including CHIP)</td>
<td>2007</td>
<td>$200,000</td>
</tr>
<tr>
<td>Thomson/McDuffie—(Including CHIP)</td>
<td>2007</td>
<td>$200,000</td>
</tr>
</tbody>
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The Georgia Department of Community Affairs (DCA) was created in 1977 to serve as an advocate for local governments. On July 1, 1996, the Governor and General Assembly merged the Georgia Housing and Finance Authority (GHFA) with the Department of Community Affairs. Today, DCA operates a host of state and federal grant programs; serves as the state’s lead agency in housing finance and development; promulgates building codes to be adopted by local governments; provides comprehensive planning, technical and research assistance to local governments; and serves as the lead agency for the state’s solid waste reduction efforts.

State of Georgia
Department of Community Affairs
Community Development and Finance Division

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Mike Beatty, Commissioner