



State Of Georgia Annual Action Plan and Executive Summary For FFY2008 Consolidated Funds



Sonny Perdue, Governor

Prepared By:
Mike Beatty,
Commissioner
March 2008



TABLE OF CONTENTS

Executive Summary	i
Action Plan.....	1
A. Introduction	2
B. SF-424	3
C. Performance Measures	16
D. Consolidated Plan Tables.....	26
E. Federal Resources Available to Georgia	32
F. Non-Federal Public Resources.....	35
G. Geographic Distribution/Allocation Priorities	41
H. Georgia’s Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of HOME Funds.....	41
I. Georgia’s Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of ADDI Funds.....	66
J. Georgia’s Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of CDBG Funds.....	72
K. Georgia’s Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of ESG Funds	105
L. Georgia’s Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of HOPWA Funds	113
M. Georgia’s Activities to Meet the State’s Housing Priorities and Objectives.....	117
N. Georgia’s Activities to Address the Needs of the Homeless and Other Special Need Groups.....	137
O. Georgia’s Non-Housing Community Development Needs	147
P. Other Actions to be Implemented by Georgia.....	148
Q. Monitoring.....	168
 Appendix A: Certifications	 A-1
Appendix B: Summary of Comments Received at Public Hearings to Solicit Information on the State’s Housing Needs	B-1
Appendix C: Sponsors and Area of Coverage	C-1
Appendix D: 2008 HUD Median Family Income Limits	D-1
Appendix E: State of Georgia 2008 Qualified Allocation Plan	E-1
Appendix F: Summary of Comments Submitted on Draft FFY2008 Annual Action Plan for Consolidated Funds	F-1

EXECUTIVE SUMMARY



***STATE OF GEORGIA
ANNUAL ACTION PLAN
FOR FFY2008 CONSOLIDATED FUNDS
JULY 1, 2008 – JUNE 30, 2009***

***SONNY PERDUE
GOVERNOR***

PREPARED BY:

***GEORGIA DEPARTMENT OF COMMUNITY
AFFAIRS
MIKE BEATTY, COMMISSIONER***

Executive Summary

BACKGROUND

The State of Georgia Consolidated Plan describes how state, local, private, and federal resources will be used to increase the supply of affordable housing and economic opportunities for low and moderate income Georgians. The plan focuses on the use of funds from HUD's five consolidated formula programs – Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant Program (ESG), Housing Opportunity for Persons with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) – to meet these needs.

The Consolidated Plan also updates the state's assessment of the housing needs of low and moderate income Georgians and provides a five-year strategic plan outlining priorities, objectives, and the investment of resources to meet these goals. An action plan for use of FFY2008 consolidated formula funds is also included, which identifies priorities and objectives during SFY2009 (July 1, 2008 – June 30, 2009). The Georgia Department of Community Affairs serves as the lead agency in the state's implementation of the Consolidated Plan for SFY2009.

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. DCA partners with communities to help create a climate of success for Georgia's families and businesses.

CITIZEN PARTICIPATION

In a rapidly changing environment, it is essential for all citizens to voice their opinions to drive policies. The State of Georgia strongly encourages public participation in identifying their housing, non-community and community needs. The Consolidated Plan provides an opportunity for citizens, nonprofit organizations, or other interested parties to help define priorities for addressing local and statewide needs and to tailor a strategic plan for meeting identified needs. Individuals from minority/ethnic groups, low-income households, women, and uneducated people often find participation difficult and are also traditionally underserved. While these groups form a growing portion of the population, particularly in urban areas, historically they have experienced barriers to participation in the public decision-making process and are therefore underrepresented. These barriers arise both from the nature of the system and from cultural, linguistic, and economic differences. For

some, the political process and the thought of becoming involved are either unpleasant or intimidating. Others have little or no faith that their actions will make a difference. Yet citizen participation and public input play important roles in establishing the content of this comprehensive plan, because ultimately the people who live in our communities have the greatest stake in its future and should help determine its future course. Each year, public hearings are typically held in different locations considered convenient to potential and actual beneficiaries to allow for a broader dissemination of program information and with accommodations for persons with disabilities. Atlanta is chosen each year in order to provide one location, which is centrally located and accessible. While preparing the state's FFY2008 Annual Action Plan, input on Georgia's housing and community development needs were received at public hearings held in six locations – Atlanta, Hinesville, Sandersville, Thomasville, Toccoa, and Calhoun. In an effort to achieve maximum participation at these hearings, announcements were published in the Albany Herald, Athens Banner-Herald, Atlanta Journal Constitution, Augusta Chronicle, Calhoun Times, Chattanooga Times Free Press, Columbus Ledger-Enquirer, Dalton Daily Citizen News, Hinesville/Liberty County Coastal Courier, Macon Telegraph, Rome News Tribune, Sandersville Progress, Savannah Morning News Press, Valdosta Daily Times, Thomasville Times-Enterprise, and Toccoa Record. Notices were also mailed to recipients of Low Income Housing Tax Credits (LIHTCs), homeless housing and service providers, Community Service Boards, members of the Statewide Independent Living Council, elected officials and selected administrators of local jurisdictions within Georgia, Regional Development Centers, the Housing Trust Fund for the Homeless, the Board of Community Affairs, and other interested parties. A news release announcing the comment period and public hearings was sent to media statewide. In accordance with the state's Citizen Participation Plan, the draft Action Plan was also made available for public review for a thirty-day period beginning January 7, 2008. All public and written comments received through the citizen participation process have been incorporated into the final Annual Action Plan and are located in Appendix B and F of this document.

STATE PROFILE

Georgia population growth is among the most rapid in the nation. Between 1990 and 2000, Georgia was the sixth fastest growing state on a percentage basis, and the fourth fastest growing in numbers of residents. Georgia ranked as the tenth most populous state in the United States. The 2000 U.S. Census data revealed that Georgia had 8.1 million residents – an increase of more than 1.7 million since 1990. Georgia's population increased 26% between this ten-year time span. A total of 151 of Georgia's 159 counties experienced population growth. That figure is greater than the 116 Georgia counties that had increases in population during the period of 1980 to 1990. About two-thirds of the population increase was attributed to net migration or an influx of new residents. Most of that growth was experienced in the Metro Atlanta area and in the North Georgia region. Several counties in Middle and South Georgia did not experience population growth during this period.

In 2005, the Georgia Office of Planning and Budget projected the state's population will grow 34% between 2000 and 2015 to 10,813,573. Twelve Atlanta counties are

expected to grow by 75% or more with half of the state's population residing in these counties. Current Census estimates indicate that approximately 9.4 million people reside in Georgia.

HOUSING AND HOMELESS NEEDS ASSESSMENT

Housing Needs of Georgians

The State has recognized the existence of a disproportionate need for housing. As a result of low- and middle income Georgians being priced out of the housing market, the State will continue to provide incentives through its various programs that encourage the development of affordable housing opportunities for all households. Using estimates for 1997 and projections for 2007 for the number of households, there may be a demand for over one-half million more housing units. Currently, over 33% of Georgians are renters with 66% occupying owner-occupied housing units. The medium monthly housing cost for mortgage owners was \$1,289, non-mortgage owners \$336 and renters \$738. Thirty-four percent of owners with mortgage, 14 percent of owners without mortgages and 50 percent of renters in Georgia spent 30 percent or more of household income on housing. Yet, measuring housing need is a major concern, regardless of tenure, income, or household type, the most common problem affecting all households is cost burden. Nationally, the average percent of household income that owners with a mortgage spend on housing is 36.9%; for renters it is 45.6%. The American Community Survey reflects that 400,000 Georgians live in severely unaffordable housing. At least 15% of all Georgia households are severely cost burdened and devote at least 50% of their income for housing.

Although Georgia has a very diverse ethnic and racial mixture, data shows evidence of disproportionate need for nonworking households: elderly households and unemployed as well as the number of working families. The number of both groups spending half of their income on housing increased dramatically. Georgia's populations with supportive housing needs include the elderly and frail elderly; individuals with mental, physical, and/or developmental disabilities; individuals with alcohol and/or other drug addictions; individuals with HIV/AIDS; migrant farm workers; and public housing residents.

DCA, the Board of Pardons and Paroles, the Department of Corrections and the Criminal Justice Coordinating Council have jointly implemented the "Re-Entry Housing Partnership" (RHP) program. DCA is the lead fiscal agent. For years, Georgia's rate of prison population growth mirrored that observed at the national level. The number of jailed inmates increased by 807 from 37,591 in May 2007 alone to 38,398. The increases in the prison population can be attributed to two main factors: increased admissions and longer lengths of stay. Prisoners today are typically less prepared for reintegration, less connected to community-based social structures, and more likely to have health or substance abuse problems than in the past. In addition to these personal circumstances, limited availability of housing and

social services in a community can affect the returning prisoner's ability to reintegrate.

According to Georgia Department of Human Resources, there is an increasing need for new service openings in the Community Care Service Program (CCSP). One of the strategies to create incentives for family care giving was the formation of the partnership with Department of Community Health and Department of Human Resource. By 2010, the over age 65 population will have increased by 14% over 2005, 45% of whom will have a disability and 14% will be living in poverty. This collaboration will increase community providers and promote community-based care.

Needs of Homeless Georgians

Through the process of developing the State of Georgia's *Homeless Action Plan to End Homelessness in Ten Years* (2002), efforts to estimate homelessness indicate that at least 30,000 individuals are homeless statewide each year. This figure was derived using the formula by the National Alliance to End Homelessness and the estimates of need, present supply, and unmet gaps as reported by each of the state's Continuum of Care Plans. Other estimates as discussed in the plan indicate 37,087–51,087 homeless individuals exist throughout Georgia.

Important subsets of the homeless population with specific and differing needs include victims of domestic violence, children and youth (including those aging out of foster care), substance abusers, persons with AIDS-related diseases, and individuals with severe mental illness.

Lead-Based Paint

New US Department of Housing and Urban Development (HUD) regulations regarding lead-based paint apply to all federally assisted housing. Childhood lead poisoning is a one of the foremost environmental health threats for the nation and for the State of Georgia. Almost a half million children – 2.2% of all preschoolers have enough lead in their blood to cause serious damage. Most children are poisoned by lead in and around their home when they are exposed the harmful levels of lead contaminated dust, deteriorated lead-based paint, and lead-contaminated soil.

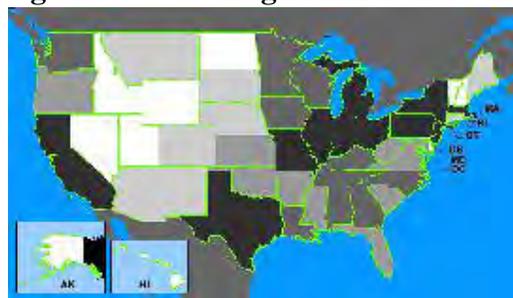
The Georgia Department of Community Affairs serves on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state, federal and local government agencies, professional and private organizations, academic institutions, businesses and individuals, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs. This committee represents a broad array of interest and stakeholders in preventing childhood lead poisoning. The current rate of childhood lead poisoning in Georgia is 1.2% of all children under age six who were screened in 2006. The goal of the committee is to reduce that to no more than 1.0% by 2010. DCA has been instrumental in assisting in the development of an Elimination Plan. The objectives

of the plan encompass three subjects yet are not exclusive to DCA’s policies only: The first is establishing partnerships with community development and housing agencies. The second is finding financial resources for controlling lead hazards. The third is playing a proactive role with local housing and community development agencies by providing screening and housing data to assist them in preparing their Consolidated Plans, a prerequisite for receipt of CDBG and HOME funds from HUD.

The Georgia Lead Poisoning Prevention Program targets children as “high-risk” for lead poisoning hazards based upon environmental and biological risk factors. Medicaid children have been determined to be especially at risk of lead exposure. Additionally, according to Scorecard, the pollution information site, eleven counties have over 50% of children under 5 years old below poverty with potential lead hazards based on the numbers of older housing: Clay (71%), Hancock (64%), Early (58%), Terrell (57%), Burke (55%), Macon (54%), Ben Hill (54%), Mitchell (52%), Jenkins (52%), Talbot (52%) and Treutlen (51%).

Low-income households that earn between 0 and 50% of MFI are least able to afford well-maintained housing and therefore are often at greater risk of lead poisoning. Using 2005 Census data for the number of housing units by tenure and year built, for the distribution of housing units by age, tenure, and income group, the state found that over 380,000 housing units occupied by low-income households are believed to have lead-based paint hazards. Renters with low and moderate incomes are particularly susceptible. Below are Georgia’s lead hazard indicators and data reflecting that Georgia ranks in the top 25 of States with high-risk lead hazard problems.

**United States
Housing Units with a High Risk of Lead Hazards**



Map Legend:

Number of Housing Units with a High Risk of Lead Hazards

- highest 20% of states
- second highest 20% of states
- middle 20% of states (Georgia’s ranking)
- second lowest 20% of states
- lowest 20% of states

GEORGIA LEAD HAZARD INDICATORS

Number of housing units with a high risk of lead hazards: 38,000

Percent of housing units with a high risk of lead hazards: 1%

Number of housing units built before 1950: 300,000

Number of housing units with low income: 380,000

Percent of housing units with low income: 13%

Number of children under 5 living below poverty: 150,000

Percent of children under 5 below poverty: 25%

The Georgia Department of Community Affairs will continue to require recipients of federal HOME and CDBG funds that engage in homeowner, housing rehabilitation and rental assisted activities to follow HUD regulations which require the control of lead based paint hazards and safe work practices. DCA will also ensure that all federal assisted housing receives a risk assessment to identify lead hazards and all units pass clearance at the end of the work.

DCA will continue its efforts to educate recipients on the dangers of lead-based paint and lead-based paint hazards and will continue to strive toward lead-safe housing where these sources of funds are used. Currently, DCA actively addresses the need for lead based paint control and abatement by requiring local governments to budget funds for lead control and/or abatement when submitting an application for funding in which rehabilitation activities are anticipated to be performed.

HOUSING MARKET ANALYSIS

Housing Market Conditions

The housing market around the country is experiencing a drastic change. Housing market performance has been weak for some time now, with generally falling production levels and sales of both existing and new homes declining. Home prices in 20 of the nation's major markets fell sharply in September 2007, according to the Standard and Poor's/Case-Shiller Home Price Index. The National Association of Realtors reports that sales have the slowest pace on record dating back to 1999. The slump in housing that began in 2006 followed a boom period where housing affordability worsened as sale prices of existing homes and mortgage rates increased. Georgia had been leading the nation over the past five years, with sizable increases in home value but in recent times has experienced a housing slump. Throughout the Atlanta area, rising inventories of unsold housing should have produced more sales but these homes remain vacant. These housing problems coupled with little wage gains and sizable number of lower paying jobs in the state, present an economic and social challenge. According to Georgia Multiple Listing Service data, over 72,000 homes were sold during the last 12 months, a 14 percent decrease from the previous year.

During the first quarter of 2007, nationally, 0.58 percent of all loans entered into foreclosure, an increase from the fourth quarter of 2006 and an increase of 41 percent from the fourth quarter of the previous year. Each month, foreclosure proceedings begin

on about one house in 1,000 nationwide. Georgia, one of the highest foreclosure reported areas experienced a higher percentage during the same period. During the first quarter of 2007, 0.71 percent of all loans entered into foreclosure. During fourth quarter 2006, 0.76 percent of all loans entered into foreclosure and 0.62 percent from the fourth quarter of the 2005 entered into foreclosure as published by National Delinquency Survey from the Mortgage Bankers Association. The Atlanta region experienced a 200% increase according to Equity Depot when comparing 2006 to 2000 figures. The number of foreclosures can be attributed to the loans in the subprime market. Clayton County ranked second in the nation out of 913 counties with a population greater than 50,000. After a rapid three-year growth, originations of subprime mortgages have declined, many of the top subprime lenders left the business and delinquencies and foreclosures have risen dramatically. Subprime loans tripled from 2002-2006, with many of the borrowers who obtaining them not understanding the extend of the increase of an adjustable rate loan, believing that their house price appreciation would allow them to refinance at a lower rate before their original rate changed, obtaining an interest only loan, and/or getting more house than they could afford.

Single-family building permits, starts and completions were down 6 to 10 percent from the first quarter of 2007 and down 24 to 28 percent from the second quarter of 2006. Inventories of new homes and existing homes for sales remain at high levels. The numbers of permits, starts, and completions have declined for five or more consecutive quarters. Shipments of manufactured homes increased in the second quarter and are now at the 100,000-unit annual rate but 18 percent below the rate of a year earlier. Multifamily permits (5 or more units in structure), at 353,000 units, were 4 percent below the first quarter of 2007 and 12 percent below the second quarter of 2006.

In 2006, Georgia has 3.9 million housing units, 13 percent of which are vacant. Of the total housing units, 69% are single unit structures, 20% multifamily units, and 10% mobile homes. Thirty-nine percent of the housing units were built since 1990. Much of this development activity was concentrated in or near Atlanta.

Housing Structural Conditions

The 2006 U.S. Census data contains five factors that describe the condition of the housing stock. They include: presence of kitchen and plumbing facilities, heating source, overcrowding, and age of the housing unit. These factors, however, have obvious limitations: no information is provided on the actual structural conditions of the housing units. Fortunately, these statistics do provide some measure of housing conditions. The following summarizes the findings for housing conditions in each of the four categories reported in the Census.

Kitchen Facilities – More than 99% of Georgia’s housing units had kitchen facilities. Only 0.003% (12,356) lacked complete kitchen facilities.

Plumbing Facilities – Almost all housing units had plumbing facilities. A total of 12,072 units, approximately 0.003%, lacked complete plumbing facilities.

Heating Source – The majority of Georgia’s houses were heated by utility gas (46%). Thirty-eight percent (44%) utilized electricity as the source of heating; .08% used bottled, tank, or LP gas; and the remaining 9% used another fuel or no fuel at all.

Overcrowding – Conditions of overcrowding, defined as more than one person per room, affected 2% of all occupied housing units in Georgia. Renters were more likely to live in overcrowded units than owners. Eleven percent of renters live in overcrowded units. Hispanics were more likely to live in overcrowded housing than all other racial/ethnic groups.

Age of Housing Stock – Thirty percent (30%) of Georgia’s housing units were 10 years old or less in 2006, 23% were between 11 and 20 years old, 31% were between 21 and 40 years old, and 16% were at least 40 years old.

Regulatory Barriers to Affordable Housing

While private actions principally influence the housing market, regulations at the federal, state, and local levels significantly impact the market’s ability to provide affordable housing units. The cost of housing and the incentives to develop, maintain, or improve affordable housing in Georgia are directly related. Although many barriers to affordable housing are beyond governmental control, several factors affecting housing costs can be identified at the government level. These factors may include zoning ordinances and land use controls, building codes, environmental restrictions, duplicative design review, rehabilitation codes, development fees and charges, tax policies, excessive fees or taxes, transportation, and federal policies.

HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

Vision for Change

Over the five-year period beginning in SFY2006, the state anticipates providing assistance to put over 158,474 extremely low, low, and moderate-income households in affordable housing free of overcrowding, structurally substandard conditions, with supportive services where appropriate for populations with special needs. Community Housing Development Organizations (CHDOs) and other nonprofits play an increasingly important role in the development and rehabilitation of affordable housing throughout Georgia.

Strategic Plan Priorities

The Consolidated Plan divides the State’s priorities into two categories based on function: (1) priorities to directly benefit low- and moderate-income households and (2) priorities to improve the production capacity of Georgia’s affordable housing providers. These priorities are not listed in rank order, but are of equal importance to the state.

Direct Benefit Priorities

- ⌚ To increase the number of Georgia's low and moderate-income households who have obtained affordable rental housing which is free of overcrowding and structurally substandard conditions.
- ⌚ To increase the number of Georgia's low- and moderate-income households who have achieved and are maintaining homeownership in housing free of overcrowding and structurally substandard conditions.
- ⌚ To increase the access of Georgia's homeless to a continuum of housing and supportive services which address their housing, economic, health, and social needs.
- ⌚ To increase the access of Georgia's special need populations to a continuum of housing and supportive services which address their housing, economic, health, and social needs.
- ⌚ To increase the access of Georgia's Latino population to a continuum of housing and supportive services which address their housing, economic, and social needs.
- ⌚ To increase the access of Georgia's elderly population to a continuum of housing and supportive services which address their housing, economic, and social needs.
- ⌚ To provide assistance to local governments to meet their non-housing community and economic development needs.

Production Improvement Priorities

- ⌚ To increase coordination, strengthen linkages and encourage the formation of partnerships between Georgia's private sector housing developers, financial institutions, nonprofit organizations, public sector agencies, foundations, and other providers.
- ⌚ To increase the capacity and skills of local nonprofit organizations and other providers to offer housing assistance.
- ⌚ To improve the responsiveness of state and local policies to affordable housing issues.

Strategic Plan Five-Year Objectives

Based on a review of key economic and demographic indicators, Georgia's housing needs are not likely to change substantially over the next five years. While the absolute number of households will increase, the percentage of households affected by cost burden, overcrowding, and physically defective housing should remain constant. The use of federal, state, local, and private resources will help to alleviate but not eliminate these problems. The Strategic Plan estimates, based on resources

to be available over a five-year period, that the state will provide the following benefits to low- and moderate-income Georgians:

- ⌚ Construct or rehabilitate 1,820 affordable rental housing units.
- ⌚ Provide rental assistance for 84,000 households.

- ⌚ Assist 3,519 households to achieve or maintain homeownership in housing free of overcrowded and structurally substandard conditions.

- ⌚ Increase the number of Spanish-speaking households assisted under all programs by 100 percent over five years.

- ⌚ Assist a daily average of 65,000 homeless individuals with housing and supportive services.

- ⌚ Assist local governments or organizations with providing housing and supportive services to 3,300 special need households and 435 elderly persons.

- ⌚ Make housing assistance funding awards to 400 individuals to enable the household to transfer from institutional to community living situations.

Eliminating Barriers to Affordable Housing

Georgia has a strong and growing commitment to making decent affordable housing available to all residents. Over the past twenty years, a wide variety of policy and program initiatives have been instituted to move toward this goal. Governments at both the state and local levels have made important strides in the areas of planning and standardization of construction codes and impact fees.

The state will continue these efforts over the five-year period. Actions that will be taken include revising housing programs to facilitate access to available funds; revising and implementing state laws impacting housing affordability; continuing implementation of the Georgia Planning Act requirement for jurisdictions to examine issues related to the provision of affordable and adequate housing; implementing actions recommended in the Analysis of Impediments to Fair Housing Choice; and providing training and technical assistance programs to local governments.

Anti-Poverty Strategy

There were 36.5 million people in poverty in 2006. Census statistics indicated that 15% of Georgia's population (1.2 million Georgians) lived below the poverty level, higher than both the national average of 12.3% and the southern region of 13.8%. Twenty-five percent of those that are of Hispanic ethnicity live in poverty. Meanwhile, the nation's official poverty rate declined for the first time this decade, from 12.6 percent in 2005 to 12.3 percent in 2006. Georgia's increase in poverty can be attributed to:

- ⌚ Unemployment rate spiking to its highest level since 1993;

- Rated 15th in the nation
- 250,000 Georgians were actively seeking a job
- ⌚ All wage levels remained fairly stagnant over the past few years
- ⌚ High levels of uninsured Georgians at 18.1 percent or over 1.6 million people
- ⌚ Stagnate medium income
- ⌚ The high increase of residents and no increase of new jobs

The state has established the following goals to reduce poverty among its residents:

- ⌚ To provide a range of services and activities having a measurable and potentially major impact on the conditions of poverty in all areas of the state, focusing on areas of the state where poverty is a particularly acute problem;
- ⌚ To provide activities designed to assist low-income participants, including the elderly poor, secure and retain meaningful employment; attain an adequate education; make better use of available income; obtain and maintain adequate housing; obtain emergency assistance to meet immediate and urgent individual and family needs, including health services, nutritious food, housing and employment; remove obstacles blocking the achievement of self-sufficiency; and achieve greater participation in the affairs of the community;
- ⌚ To provide for the emergency provision of supplies and services, nutritious foodstuffs, and related services necessary to counteract conditions of starvation and malnutrition among the poor;
- ⌚ To coordinate and establish linkages between government and other social service programs to assure the effective delivery of such services to low income individuals; and
- ⌚ To encourage the private sector of the community to become involved in efforts to ameliorate poverty.

DCA will continue to administer an anti-poverty program, the Healthy Marriage Initiative, using \$90,000 in federal TANF funds. The purpose of the Healthy Marriage Initiative is to promote marriage as a viable life style option for low and moderate income Georgians through improved perceptions, attitudes and skills for developing a healthy marriage.

Strategic Plan Coordination

The policy of the state strongly favors the formation and maintenance of cooperative partnerships with the federal government and various state agencies that administer numerous federally funded housing and community development programs at the local level with PHAs and HUD entitlement communities, and with private for-profit and nonprofit providers of housing and supportive services.

The state recognizes the importance of these cooperate partnerships to effectively address affordable housing issues and has established a priority within the Consolidated Plan to increase coordination, strengthen linkages, and encourage the formation of partnerships between Georgia's private sector housing developers, financial institutions, nonprofit organizations, public sector agencies, foundations, and other providers. DCA will continue to coordinate with these agencies in the process of creating this plan throughout the coming year in order to maximize the effectiveness of the service delivery system, ascertain the emergence of new and/or ongoing needs, and provide activities to address these needs. Less formal channels of communication and coordination are also encouraged and fostered through email, telephone, and ad-hoc meetings.

ANNUAL ACTION PLAN FOR SFY2009

The Action Plan details the State's plan for use of its consolidated formula FFY2008 funding allocation from the U.S. Department of Housing and Urban Development. During SFY2009, with a period beginning July 1, 2008 and ending June 30, 2009, the State expects to tap a variety of federal resources to address Georgia's housing and community development needs. These resources include the five formula grants covered by the State's Consolidated Plan: the HOME Investment Partnerships (HOME), American Dream Downpayment Initiative (ADDI), Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) programs.

The State's allocation is divided between programs as follows: CDBG (\$40,055,203); HOME (\$21,686,923); ADDI (\$145,606); ESG (\$2,199,724); and HOPWA (\$1,744,000).

Community Development Block Grant (CDBG)

Non-Housing Quantified Objectives

The short-term objective is to make those CDBG funds allocated to the State by Congress on an annual basis available to local units of government to address their locally determined needs. Consistent with the long-term objective, not less than 70% of the CDBG funds received each fiscal year will be used for the support of activities that benefit persons of low and moderate-income. To be funded, local government applicants must give maximum feasible priority to activities which benefit low and moderate-income families, or aid in the prevention or elimination of slums or blight, or which meet urgent community needs. Funds will be awarded in accordance with the Annual Action Plan to those projects that demonstrate the greatest need, feasibility and impact.

DCA expects to annually award (including the annual competition, Redevelopment Fund, Employment Incentive Program (EIP) and Immediate Threat and Danger (ITAD)) approximately 110 grant awards. Of course, the actual number will be determined by the allocation to the State and the type of projects and amount of funds actually applied for by local governments.

While predicting the project types to be funded is difficult due to the emphasis given to meeting locally determined needs, an analysis of the most recent (FFY2007) Regular Annual CDBG Competition may shed some light on what may be funded in the future as well as current priorities.

In reviewing this information, it is interesting to note that the types of public facility projects that communities apply for has changed over time. During the early and mid-1990's funding cycles, proposals for senior citizen and health centers dominated the competition for community building projects. As CDBG funds were used to meet this need, other facility needs began to be addressed by local communities. This includes more emphasis on centers to provide adult literacy, workforce development as well as youth centers and shelters for victims of family violence. In terms of public infrastructure applications, the need for water and/or sewer improvements remains high and the need for street and drainage facilities has been increasing.

This change over time of project funding illustrates how the established CDBG rating and ranking system is able to respond to locally identified needs.

Non-Federal Public Resources

The Georgia CDBG program requires a local cash match for all non-housing CDBG projects. The required cash match is based on the amount of CDBG funds received as follows:

- ⌚ 0% for amounts up to \$300,000 in CDBG funds,
- ⌚ 5% of amounts from \$301,000 to \$500,000, and
- ⌚ 10% of amounts over \$500,000.

In addition, all CDBG applications receive up to 25 additional points in the rating system for provision of additional resources. While these are not always cash amounts, usually they are other loans or grants or local government cash and in-kind contributions. The exact amount of "leverage" cannot be predicted until applications are received.

Use of Technical Assistance Funds

The State is allowed to use up to 1% of each year's CDBG allocation for technical assistance activities. For the upcoming Program Year, DCA is setting aside 1% of the total allocation from HUD for these activities.

These funds have been used to fund various technical assistance workshops as well as staff time devoted to on-site delivery of technical assistance. In the past, DCA has provided a series of well attended economic development training workshops as well as training for historic preservation compliance.

HOME Investment Partnership Program

Using its allocation of federal HOME funds, State funds appropriated as match to the HOME program, and program income generated from the repayment of loans to the HOME program, the State proposes to operate the following six programs:

- ⌚ HOME Rental Housing Loan Program provides below market and favorable construction and permanent loan financing terms for the construction or rehabilitation of affordable rental housing. CHDOs may apply for assistance under this program.
- ⌚ CHDO Predevelopment Loan Program provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing low to moderate-income housing developments using DCA's HOME Rental Housing Loan, Georgia Dream Single Family Development Program or Permanent Supportive Housing programs.
- ⌚ Permanent Supportive Housing Program provides financial assistance to developers of permanent housing for eligible Homeless Tenants. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for targeted special need tenants. The dwelling units must be affordable to low-income households. Supportive services must be provided that are applicable to the needs of the targeted special need population. CHDOs may apply for assistance under this program.
- ⌚ Georgia Dream Second Mortgage Program offers a deferred payment second mortgage of \$5,000 for down payment, closing costs, prepaid expenses and principal reduction for low to moderate income home buyers. Loans are generally used in conjunction with the State's First Mortgage program. Furthermore, the State offers an enhanced amount of financial assistance beyond the \$5,000 that is available to traditional Georgia Dream borrowers. One of these options, Signature Community, is designed to assist employees of a local government that has been designated by DCA as a Signature Community. The Signature Community option loan amount is \$7,500. The next option, HONORS, is for widows or widowers of service men and women or protectors, including law enforcement and fire and emergency services personnel who was killed while on active duty or in the line of duty. The HONORS option loan amount is \$10,000. A third initiative, Rural Development, is for low income home buyers receiving first mortgage loans through the USDA-Rural Development Direct 502 Loan program. A fourth option, CHOICE (Consumer Home Ownership of Independence, Choices and Empowerment), is for qualified individuals with disabilities and/or households with members who have a disability that, because of income considerations alone, cannot afford to purchase a home. The CHOICE option loan amount ranges from \$7,500 to \$20,000 based on the household annual income and the location of the home. A fifth option, EV (Efficient or Visitable), encourages the construction of homes that are energy efficient as well as homes that are visitable by individuals with mobility impairments. These homes being purchased, must meet the requirements of the ENERGY

STAR[®] Homes, EasyLiving Home^s or the EarthCraft Homes[™] programs. The EV option loan amount is \$7,500. The sixth option is PEN, which is designed to assist Georgia's heroes who help others in times of need. This program is available to those employed in career fields of Protection, Education and Nurses/Health Care Workers. The "protectors" program category includes police department, sheriff's office, corrections or other law enforcement agency; local, state or federal fire department; and active duty military personnel of the U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard, the Army National Guard, and/or the Air National Guard. The PEN option loan amount is \$7,500. A seventh option, Welcome Home, provides financing to the brave service people who were called to duty to serve our country in the global war on terrorism. The Welcome Home option loan amount is \$10,000. The last option is Homeownership Voucher, formerly known as the Home At Last (HAL), which provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, wherein the head of household, spouse or dependent is disabled or the head of household is participating in the Family Self Sufficiency Program. This initiative enables a household to purchase a home utilizing the Housing Choice Voucher Program Housing Assistance Payment (HAP) as income for the purpose of qualifying for a mortgage loan.

- ⌚ Georgia Dream Single Family Development Program provides gap financing to stimulate the expansion of affordable homeownership opportunities and the reinvestment in distressed neighborhoods. The program provides two forms of assistance: a home buyer subsidy and a development subsidy. The Home Buyer Subsidy is provided for down payment assistance in the form of a deferred payment second mortgage for eligible low-income home buyers. Loans must be used in conjunction with the State's Georgia Dream First Mortgage Program and do not have to be repaid until the property is sold, refinanced or no longer is used by the home buyer as their primary residence. The Development Subsidy is a grant to the Developer to cover the portion of the development cost that exceeds the appraised value of the property. This grant is only provided to the Developer after the unit has been sold to a qualified home buyer.
- ⌚ Community HOME Investment Program (CHIP) provides funds for local governments to implement down payment assistance, single-family construction, single-family rehabilitation activities and rental development or rental rehabilitation activities. HOME funds may be used in conjunction with State CDBG resources that are available jointly through a single application process.

The State anticipates that sufficient funds from an existing allocation are projected to be available to fund activities under the two below programs:

- ⌚ Rental Housing Preservation Loan Program provides below market and favorable construction and permanent loan financing terms for the

rehabilitation of existing affordable rental housing developments. CHDOs may apply for assistance under this program.

- ⌚ CHDO Operating Assistance Program (COAP) provides qualified State designated CHDOs with funding to maintain their operations and to develop their capacity to implement future HOME-funded CHDO activities.

American Dream Downpayment Initiative (ADDI)

The Georgia Housing and Finance Authority (GHFA) is the Participating Jurisdiction (PJ) and recipient of the State of Georgia's allocation of funds from the federal American Dream Downpayment Initiative (ADDI) program. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this ADDI allocation. HUD will make \$145,606 in FFY2008 consolidated program funding for its ADDI allocation. Using its allocation of federal ADDI funds and program income generated from the repayment of loans to the ADDI program, the State proposes to operate the Georgia Dream Second Mortgage Program.

The Georgia Dream Second Mortgage Program offers deferred payment second mortgages of \$5,000 for down payment, closing costs, prepaid expenses, and principal reduction for low-income home buyers. Loans are generally used in conjunction with the State's Georgia Dream First Mortgage program. This mortgage program also offers several enhancement options to assist homebuyers. The following options are offered:

- ⌚ The Rural Development option offers a deferred payment second mortgage to cover a portion of down payment, closing cost and prepaid expenses for low income home buyers receiving first mortgage loans through the USDA-Rural Development Direct 502 Loan program.
- ⌚ The CHOICE (Consumer Home Ownership for Independence, Choices and Empowerment) option provides a deferred payment second mortgage loan to qualified borrowers to cover costs associated with down payment, closing, prepaid items and principal reduction. To be eligible for assistance, at least one individual residing in the units must have a disability. This program provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- ⌚ The Efficient or Visitable option is designed to encourage the construction of homes that are energy efficient as well as homes that are visitable by individuals with mobility impairments. The home being purchased must meet the requirements of the ENERGY STAR[®] Homes, EasyLiving Home^{cm} or the EarthCraft HomesTM programs. The program provides \$7,500 as a deferred payment second mortgage loan to qualified applicants for principal reduction, down payment closing costs, and prepaid loan related expenses.
- ⌚ The PEN option is designed to assist Georgia's heroes, who help others in times of need, to purchase a home of their own. This program is available to Protectors, Educators, and Nurses (Health Care Workers). Eligible applicants

will receive \$7,500 as a deferred payment second mortgage loan for down payment, closing costs, other loan related expenses, and principal reduction.

- ⌚ The HONORS option offers deferred payment second mortgages of \$10,000 to an eligible borrower who is the widow or widower of service men and women or protectors including law enforcement, fire and emergency services personnel who desire to purchase a home in Georgia. Funds may be used towards down payment, closing costs, prepaid expenses, and principal reduction. Loans are generally used in conjunction with the State's First Mortgage program.
- ⌚ The Signature Community option is designed to assist employees of a local government that has received a Signature Community designation by DCA. Eligible employees purchasing a home will receive \$7,500 as a deferred payment second mortgage loan to use towards principal reduction, down payment, closing costs, and other loan related expenses.
- ⌚ Homeownership Voucher option provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, in which the head of household, spouse or dependent is disabled or the head of household is participating in the Family Self Sufficiency Program. This program enables a household to purchase a home utilizing the Housing Choice Voucher Program Housing Assistance Payment (HAP) as income for the purpose of qualifying for a mortgage loan. Deferred payment second mortgages of up to \$20,000 made available through the Georgia Dream Second Mortgage program will be utilized to cover costs associated with down payment, closing, pre-paid items, and principal reduction.
- ⌚ The Welcome Home option provides financing to the brave service people who were called to duty to serve our country in the global war on terrorism. Eligible applicants will receive \$10,000 as a deferred payment second mortgage loan for down payment, closing costs, other loan related expenses, and principal reduction.

No more than \$10,000 of ADDI funds will be utilized for any single household. Any additional amount will be funded using HOME dollars.

Emergency Shelter Grant (ESG)

The purpose of the ESG program is to provide shelter and essential services to homeless persons throughout the state by making State Housing Trust Fund for the Homeless Commission (HTF) funds and Federal HUD ESG funds available to nonprofit organizations and local government entities operating homeless housing and/or providing services to the homeless. Local governments are eligible to apply. To the extent determined under State law by HTF and DCA, private, nonprofit organizations are eligible to apply for funds.

Applicants must identify a specific need for funds based on the project cost versus anticipated sources of funding. General funding limits are expected to be as follows: Emergency Shelter Operations - \$60,000 per facility; Transitional Housing Operations - \$30,000 per facility; Essential Services - \$30,000 per activity; Homeless

Prevention - \$20,000 per program; Technical Assistance \leq \$3,000 per activity; and Development - \$75,000 per organization. Federal FFY2008 funds available under the HUD ESG Program are \$2,199,724. SFY2009 State HTF Commission funds available are \$2,199,724, for a total of \$4,399,448 to address homelessness.

Utilizing these funding sources, DCA anticipates assisting persons who are homeless and living in shelters, living in transitional housing, or who are in danger of becoming homeless. State funded services include childcare, comprehensive case management, substance abuse services, HIV services, comprehensive day services, food, furniture, clothing, services to prevent homeless, funds to prevent homelessness, housing and service referrals to homeless persons, funds necessary to procure permanent housing, job training, skills development, transportation, and other services necessary to break the cycle of homelessness.

DCA will utilize State funds to continue the implementation of its Continuum of Care Plan. Planned actions for SFY2009 include continued implementation of permanent supportive housing through the HUD S+C program, the continued facilitation of the enhancement or development of new regional homeless provider networks (regional 'resource fairs' will be conducted), continued facilitation of meetings of the State Homeless Advisory Council about preventing and eliminating homelessness, continued collaboration with the Georgia Department of Human Resources through the Georgia Mental Health Planning Council with the goal of ending chronic homelessness and in procuring mainstream resources for homeless services

Housing Opportunities for Persons with AIDS (HOPWA)

The intended use of HOPWA funds is to provide resources and incentives to devise long-term comprehensive strategies for meeting the housing needs and supportive services to low income persons with acquired immunodeficiency syndrome (AIDS) and/ or HIV-related diseases and their families, principally in the State's 127-county jurisdiction. DCA will utilize these funds to sponsor housing units to house low income persons with HIV or members of their families and to provide supportive services.

The FFY2008 consolidated program funding amount that the State is eligible to receive from HUD for the HOPWA program is \$1,744,000. Eligible activities are those named in current HUD regulations for the HOPWA program. Activities include, but are not limited to housing, housing or fair housing information, acquisition, rehabilitation, limited new construction, rental assistance (including shared housing), homelessness prevention, supportive services (health, mental health, assessment, drug and alcohol, day care, personal assistance, nutritional services, etc.), general case management, housing operating subsidies, and technical assistance.

Local government entities are eligible to apply for HOPWA funds and to the extent under State law, as determined by HTF and DCA, private nonprofit organizations are also eligible to apply for funds.

Applications must be submitted on forms provided by DCA. Applications will be processed based on local need, conformance to local plans and (if applicable), and service delivery strategy.

PERFORMANCE MEASURES

DCA’s Program Goals are consistent with and support these HUD goals identified in Title I of the Housing and Community Development Act of 1974 (as amended). The three basic objectives of these formula programs will include the provision of (1) providing decent housing, (2) providing a suitable living environment and (3) proving an economic opportunity. The outcome categories include: (1) availability/accessibility, (2) affordability, and (3) sustainability; promoting livable or viable communities. The combination of objectives and outcome categories results in a matrix of *nine* possible outcome statements that encompass the various possible program activities.

Accessibility for the purpose of creating suitable living environments (1,1)	Accessibility for the purpose of providing decent affordable housing (1,2)	Accessibility for the purpose of creating economic opportunities (1,3)
Affordability for the purpose of creating suitable living environments (2,1)	Affordability for the purpose of providing decent affordable housing (2,2)	Affordability for the purpose of creating economic opportunities (2,3)
Sustainability for the purpose of creating suitable living environments (3,1)	Sustainability for the purpose of providing decent affordable housing (3,2)	Sustainability for the purpose of creating economic opportunities (3,3)

Decent housing: The provision of decent housing assists both the homeless and persons at risk of becoming homeless in obtaining housing and increases the availability of permanent housing in standard condition and at affordable cost to low- and moderate-income families and retain the housing stock.. Decent housing also increases the supply of supportive housing with services needed to enable persons with special needs to live independently, and provides housing affordable to low to moderate income persons which are accessible to job opportunities. Under this provision, DCA will expand access to affordable rental housing, expand homeownership opportunities, make the home buying process less complicated, assist renters become homeowners, fight practices that permit predatory lending and increase public awareness of fair housing laws. Housing activities will be undertaken with HOME, ADDI, ESG, CDBG and HOPWA funds.

Suitable living environment: The provision of a suitable living environment improves the safety and livability of neighborhoods; increases access to quality public and private facilities and services; reduces the isolation of income groups within a community or geographical area by offering housing opportunities for persons of lower-income and revitalizes deteriorating or deteriorated neighborhoods; restore, enhance, and preserve natural and physical features of special value for historic, architectural or aesthetic reasons; and conserve energy resources.

For many families, the American Dream means owning their own home. DCA is committed to helping more Americans—particularly minorities and low- and-moderate-income families—realize the dream for themselves. DCA’s Community Development and Finance Division extends the access to make homeownership a reality. The Community HOME Investment Program (CHIP) provides HOME funds for local governments wishing to develop or preserve affordable housing in their communities. CHIP funds can only be used for activities which result in the production, acquisition, or rehabilitation of decent, safe, and sanitary housing units that will be occupied by income eligible homebuyers, homeowners, or tenants. The funds can also 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, refinancing, and permanent mortgage financing.

The Georgia Dream Single Family Development Program also assists in the expansion of affordable single family housing. Prospective housing developers may construct new housing in subdivision style settings, rehabilitate vacant and dilapidated housing in established neighborhoods or construct new housing on vacant lots in inner city communities. Nonprofit and for-profit housing developers and/or local public housing authorities may apply for up to \$300,000 in financing to assist with the construction and sale of single family housing. These resources are offered as gap financing in the form of a Home Buyer Subsidy and/or a Development Subsidy. Applicants are required to obtain construction term financing from another lending source.

Provide economic opportunity: The provision of expanded economic opportunities creates and retains jobs; establishes, stabilizes, and expands small businesses (including micro-businesses); provides public services concerned with employment; provides jobs to low income persons living in areas affected by those programs and activities; makes available mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; provides access to capital and credit for development activities that promote the long-term economic and social viability of the community; and provides empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally-assisted and public housing.

DCA provides programs that have provided significant support to local governments to help improve economic conditions in distressed communities. DCA also provides a variety of community development programs through the Community

Development Block Grant (CDBG) and many state funded programs administered by DCA to help the state's communities realize their growth and development goals. CDBG provides funding to assist a wide range of eligible activities, including housing improvement projects, public facilities such as water and sewer lines, buildings such as local health centers or head start centers, and economic development projects.

Anticipated Results

These activities planned for SFY2009 to meet the State's housing priorities and objectives are expected to:

- Rehabilitate or construct 427 affordable rental housing units for low or moderate income households.
- Provide 16,600 low or moderate income households with rental assistance.
- Assist 1,317 low or moderate income households achieve or maintain homeownership.
- Increase the number of Spanish speaking households receiving assistance under all programs by 100 percent over five years.
- Make funding awards to organizations that provide housing and supportive services necessary to break the cycle of homelessness assisting an estimated 13,000 duplicative homeless persons daily.
- Make funding awards to organizations that provide the housing and supportive services necessary for 723 special need households to achieve decent, safe and sanitary living conditions.
- Provide housing assistance and information to 80 special need households in order to enable them to transfer from institutional to community living situations.
- Make funding awards to local governments, or organizations that assist 226 elderly persons with housing and/or supportive services necessary to achieve or maintain decent, safe and sanitary living conditions.

Evaluation of Past Performance

The State continues to address its priorities and objectives related to affordable housing and community development issues and the administration of related HUD-funded programs. While production results have sometimes exceeded or fallen short of stated goals within the Consolidated Plan, the State of Georgia concludes that significant progress has been made to address the priorities and objectives outlined in its Consolidated Plan document. Overall, and in spite of fluctuations in federal program funding, changes in program features, and the generally challenging economic climate, production was consistent.

DCA continues to evaluate and refine its efforts in respect to program implementation. Internally, work groups have been established within DCA to address issues that may influence capacity and service delivery. DCA also regularly

receives feedback from our external partners to improve the delivery of our housing and community development programs. These partnerships may include other state agencies, advocacy groups, governmental and quasi-governmental organizations, nonprofits, housing authorities, individuals and from the private sector such as banks, mortgage companies, credit unions, real estate professionals, and attorneys.

The State has made significant progress in or toward meeting, its housing priorities established in its five-year strategy with the Consolidated Plan. The State assisted 36,664 households with housing and shelter assistance funded through HOME, CDBG, ESG or HOPWA during SFY2007.

To meet its rental housing priority, the State projected it would rehabilitate or construct affordable, rental housing units for 209 extremely low, 379 low and 257 moderate-income households. During SFY2007, the State actually assisted in the rehabilitation or construction of rental housing for 130 extremely low, 242 low and 84 moderate-income households using HOME funds.

To meet its rental housing priority, the State also projected it would provide 4,879 extremely low, 3,266 low and 693 moderate-income households with rental assistance. During SFY2007, the State estimates that it assisted 11,370 extremely low, 3,427 low, and 779 moderate income households with rental assistance through the Housing choice Voucher program. Overall production was higher than projected.

To meet its homeownership priority, the State projected it would assist 83 extremely low, 450 low and 501 moderate income households to achieve or maintain homeownership in housing free of overcrowded and structurally substandard conditions. During SFY2007, the State actually assisted 118 extremely low, 359 low and 604 moderate-income households, which was slightly lower than what was projected using both HOME and CDBG funds.

To meet its priority regarding homelessness, the State projected it would make funding awards to organizations to provide an average 10,200 persons daily with housing and supportive services which address the housing, economic, health and social needs of the homeless. One of the State's goals is to provide a range of services and activities that have a measurable, major impact on conditions of poverty in the community. The Continuum of Care network has allowed DCA to increase the capacity level of organizations providing services. During SFY2007, the ESG program distributed 180 funding awards. Approximately 4,187 individuals were housed daily.

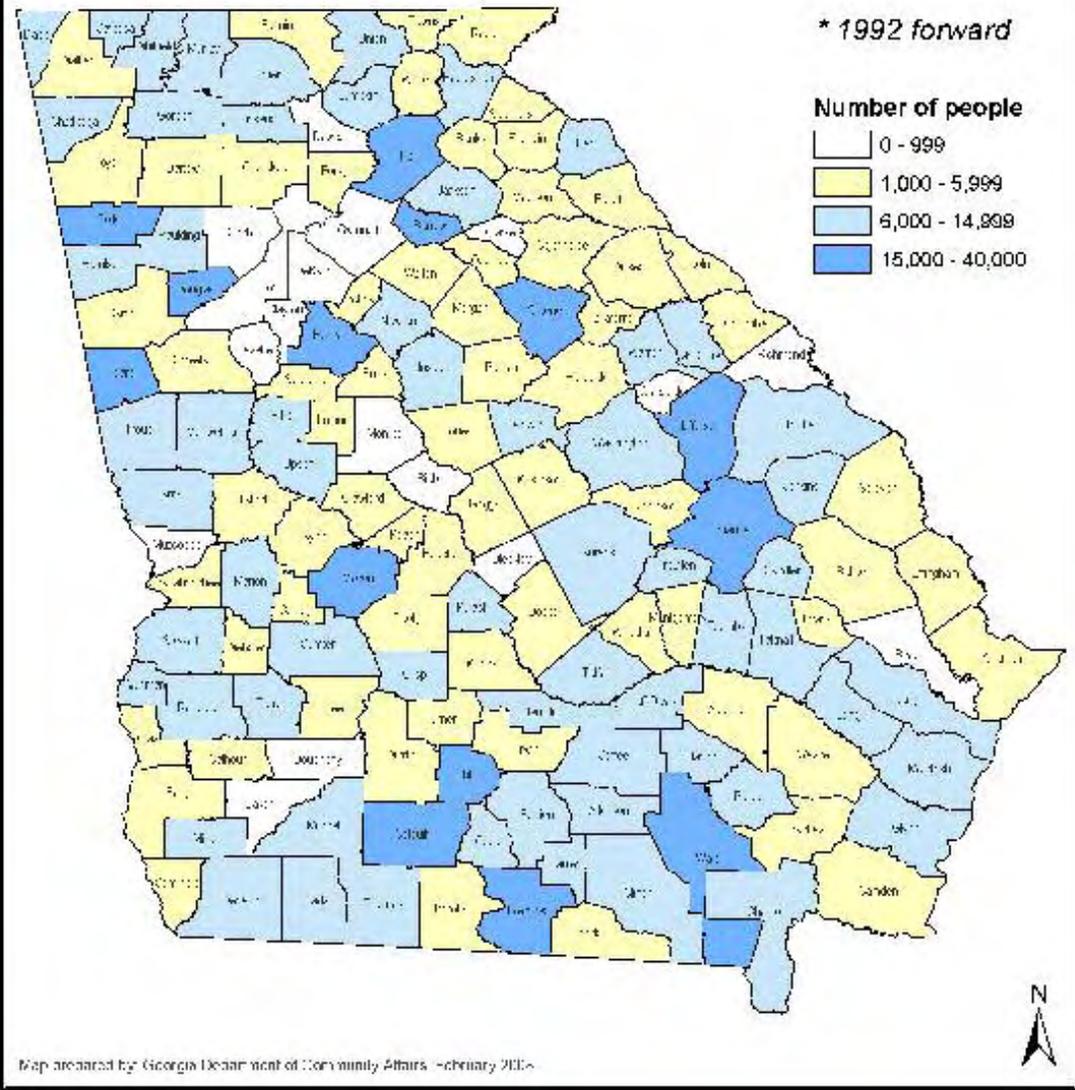
To meet its priority regarding special need households, the State anticipated making funding awards to provide housing and supportive services necessary to assist 429 special need households to achieve decent, safe and sanitary living conditions. DCA assisted 880 elderly households through the HOME, ESG, and CDBG programs; Permanent Supportive Housing assisted 57 households for victims of domestic violence; the Shelter Plus Care assisted 1,058 households with disabilities; and 3,089

individuals and/or persons in families through the HOPWA program during SFY2007.

The state is working hard to further the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low-and moderate-income persons (LMI). During the past six years, the program has funded the creation, expansion or rehabilitation of 66 public facilities. More than 116,326 citizens benefited from utilizing these facilities, of which 93 percent were low to moderate income. The State's program combines local government investments with CDBG funds to finance infrastructure that provides (1) public water to replace contaminated wells, (2) public sewer to remove sewage that ponds in homeowners' yards and (3) drainage improvements to keep floods out of neighborhood. Three hundred and thirty one public infrastructure projects serving 88,266 persons were funded. Hundreds of housing activities were also financed such as the removal of 150 blighted units, rehabilitation of 344 units, and grants for direct homeowner assistance for 93 units. Since 2001, the program has funded 86 projects where installation of commercial and industrial infrastructure initiated economic development in Georgia's rural, non-entitlement areas. These projects benefited Georgians by creating 22,575 jobs. . This past year, the State awarded 104 awards to local units of government made with CDBG funds. Approximately 90% of the persons benefiting were low and moderate-income persons.

The below map of Georgia reflects the number of people benefiting through CDBG financed economic opportunities, affordable housing and public infrastructure and services.

People Benefitted Through State CDBG Financed Economic Opportunitites, Affordable Housing, and Public Infrastructure and Services



One major challenge in meeting the long term objective for CDBG was as a result of the reduction is the amount of CDBG funds available to the State through Congressional appropriations. At the national level, the appropriations have declined every year since 2003 from \$4.9 billion that year to \$3.7 billion in 2006. While the State's "non-entitlement" share has not declined as steeply, due to the increasing population of the State, the steady increase in construction costs, especially since the Katrina disaster, has adversely impacted the effective "buying power" of the funds available. In addition, over the past few years, Congress has set-aside millions of dollars for congressional mandated "ear marks" or set-asides. These set-asides reduce the amount of funds available to the State and seem to contradict the currently favored "block grant" approach to local community development.

The State continues to refine existing programs and implement new programs that promote opportunities for enhanced living conditions of low and moderate income Georgians. DCA does not currently propose any changes to its programs as a result of this performance assessment. The State will continue to regularly refine and expand the availability of funding opportunities to best meet the needs of Georgia. Any changes will be reflected in the State's Annual Action Plan for Consolidated Funds or, if needed, through an amendment submitted to HUD.

A. INTRODUCTION

THE CONSOLIDATED PLANNING PROCESS

The State of Georgia Consolidated Plan describes how state, local, private, and federal resources will be used to increase the supply of affordable housing and economic opportunities for low and moderate income Georgians. The plan focuses on the use of funds from HUD's five consolidated formula programs – Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant Program (ESG), Housing Opportunity for Persons with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) – to meet these needs. Although the state cannot meet all of the need, it can strategically invest its limited resources to address and alleviate some of the need. Each year the State of Georgia supplies HUD with an annual Action Plan describing how the State intends to implement its housing and community development programs. This plan combines in a single document information describing the proposed use of five consolidated formula programs and allocations of federal funding for activities to meet the major goals identified in Georgia's Five-Year Consolidated Plan for FY 2005-2010.

This document details the State's plan for use of its consolidated formula FFY2008 funding allocation from the U.S. Department of Housing and Urban Development during SFY2009, (July 1, 2008 through June 30, 2009).

The State's allocation of CDBG funds and activities during SFY2008 will remain under the full authority of the Georgia Department of Community Affairs (DCA). However, the Georgia Housing and Finance Authority (GHFA) will administer the HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) programs. As a result, GHFA will serve as the Participating Jurisdiction for the State's HOME Program.

The State's Action Plan for SFY2009 reflects the FFY2008 consolidated program funding amounts for which the State is eligible to receive from HUD. These allocations are divided between programs as follows: CDBG (\$40,055,203); HOME (\$21,686,923); ADDI (\$145,606); ESG (\$2,199,724); and HOPWA (\$1,744,000).

In addition to the federal consolidated formula funds, the State will draw upon the resources of the State Housing Trust Fund for the Homeless, the State appropriated matching funds to the federal HOME program, the federal Low Income Housing Tax Credit, the Georgia Housing Tax Credit, the Shelter Plus Care Program, HUD Housing Counseling funds, Supportive Housing Program monies, and the proceeds of mortgage revenue bonds issued by the Georgia Housing and Finance Authority. Production levels indicated above are based on housing-related production resulting from the State's allocation of Federal consolidated formula funds, the State appropriation to the HOME Program, Program Income anticipated to be received by the State's HOME Program, State Housing Trust Fund monies used as match to the Federal ESG Program, and other HUD assistance.

Activities planned for SFY2009 to meet the State's housing priorities and objectives include:

- Rehabilitate or construct 427 affordable rental housing units for low or moderate income households.
- Provide 16,600 low or moderate income households with rental assistance.
- Assist 1,317 low or moderate income households achieve or maintain homeownership.
- Increase the number of Spanish speaking households receiving assistance under all programs by 100 percent over five years.
- Make funding awards to organizations that provide housing and supportive services necessary to break the cycle of homelessness assisting an estimated 13,000 homeless persons daily.
- Make funding awards to organizations that provide the housing and supportive services necessary for 723 special need households to achieve decent, safe and sanitary living conditions.
- Provide housing assistance and information to 80 special need households in order to enable them to transfer from institutional to community living situations.
- Make funding awards to local governments, or organizations that assist 226 elderly persons with housing and/or supportive services necessary to achieve or maintain decent, safe and sanitary living conditions.

The Georgia Department of Community Affairs will serve as the lead agency in the State's implementation of the Consolidated Plan for SFY2009.

B. SF - 424

The State of Georgia has completed SF-424 for the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs are provided on the following 12 pages.

C. PERFORMANCE MEASURES

DCA’s Program Goals are consistent with and support HUD goals identified in Title I of the Housing and Community Development Act of 1974 (as amended). The three basic objectives of these formula programs include providing (1) decent housing, (2) a suitable living environment and (3) an economic opportunity. The outcome categories include: (1) availability/accessibility, (2) affordability, and (3) sustainability (promoting livable or viable communities). The combination of objectives and outcome categories results in a matrix of *nine* possible outcome statements that encompass the various possible program activities.

Accessibility for the purpose of creating suitable living environments (1,1)	Accessibility for the purpose of providing decent affordable housing (1,2)	Accessibility for the purpose of creating economic opportunities (1,3)
Affordability for the purpose of creating suitable living environments (2,1)	Affordability for the purpose of providing decent affordable housing (2,2)	Affordability for the purpose of creating economic opportunities (2,3)
Sustainability for the purpose of creating suitable living environments (3,1)	Sustainability for the purpose of providing decent affordable housing (3,2)	Sustainability for the purpose of creating economic opportunities (3,3)

Decent housing: The provision of decent housing assists both the homeless and persons at risk of becoming homeless in obtaining housing, increases the availability of permanent housing in standard condition and at affordable cost to low- and moderate-income families and retain the housing stock. Decent housing also increases the supply of supportive housing with services needed to enable persons with special needs to live independently, and provides housing affordable to low to moderate income persons, which are accessible to job opportunities. Under this provision, DCA will expand access to affordable rental housing, expand homeownership opportunities, make the home buying process less complicated, assist renters become homeowners, fight practices that permit predatory lending and increase public awareness of fair housing laws. Housing activities will be undertaken with HOME, CDBG and HOPWA funds.

- DCA’s Housing Tax Credit program is helping to address the need for affordable rental housing by proving a 10-year federal and state tax incentive to attract private investment for the development of affordable housing. The money raised by the sale of the tax credits reduces the size of the mortgage needed for

development, so rents can be reduced. Owners agree to rent all or some of their units to low-income residents for 30 years.

- GeorgiaHousingSearch.org is a comprehensive web site of available rental housing choices. Prospective tenants have a variety of specific search features to access housing. This service provides an on-line resource for property managers to market units with accessible features for individuals with disabilities, provides a convenient resource for prospective renters to locate affordable and accessible housing and obtain community resource links along with locating housing information. This web site is free, searches are conducted in both English and Spanish and owners/property managers update the site at least bi-weekly with vacancy information.
- DCA's Housing Choice Voucher program (Section 8 Rental Assistance) enables public housing authorities to offer expanded opportunities for rental and utility assistance to lower-income families by utilizing existing housing units. The program is tailored to meet the individual needs of families by offering each family the freedom to find a suitable unit and landlords who will agree to accept the Section 8 rent subsidies on behalf of the family and to maintain their rental properties to the required Housing Quality Standards. The amount of the subsidy is based primarily upon the participant's income. DCA administers the program in 149 of Georgia's 159 counties through five regional offices located around the State. The remaining 10 counties are served by their local housing authority. Within this program, other initiatives in the budget of the rental assistance program are similar to the standard program. These initiatives are the following:
 - 1) Mainstream Program Vouchers enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.
 - 2) Moderate Rehabilitation Program provides project-based rental assistance for low-income families.
 - 3) Project Based Voucher Program is to encourage property owners to construct standard or upgrade substandard rental housing stock and make it available at affordable rents.
 - 4) Enhanced Voucher Program is made available from HUD when an identified property is converted from project-based assistance to the Housing Choice Program, generally with Section 236 of Section 221(d) (e) properties and is triggered by of the following events: preservation repayment, section 8 opt-outs, HUD enforcement Action or property disposition.
- The Office of Homeownership continues to make the home buying process simpler by offering the following in conjunction with the Georgia Dream Homeownership Program:
 - 1) Continuing the Applicant Checklist that assists both the potential home buyer and their participating lenders. This checklist streamlines the application process by describing what documents are required and expedite lender approvals in underwriting.

- 2) Providing the DCA's online system for lenders reserves loans quickly, access and complete forms, check status of their reservations, request training, generate documents and to track and verify their loan status.
- 3) Equipping participating lenders with a seller guide, which is an information book from the origination stage through funding of the Georgia Dream Loan Process. The seller guide is also available through lender online for quick access of policy and procedures. Updates are also incorporated for convenience.
- 4) Holding quarterly lender advisory meetings for lender feedback for best practices discussions providing practical guidance on loan program analysis and evaluation, market changes and policy updates and designed to increase DCA's level of customer service.
- 5) Providing a call-in brochure line for potential customers to request information, and check the current interest rate. This information line is available 24 hours a day.
- 6) Offering the "Get on the Right Track to Homeownership" booklet that details the benefits to owning a home, provides basic instructions of how to own a home, and is distributed to potential home buyers through participating lenders, credit counselors and home buying fairs.
- 7) Making available a rate sheet that list DCA contact information, current interest rates, lender training, and announcements, which is emailed to over 1,000 realtors, brokers and lenders on a weekly basis.
- 8) Training for lending partners: originators, processors, underwriters, closing and post closing staff, and Realtors is held monthly in the Atlanta office and around the state on an ongoing basis.
- 9) Offering the "Home of Your Own" Workbook, this was designed to assist our credit counseling partners with providing budget analysis worksheets and preparing potential customers for the home purchase, and the responsibilities of homeownership.
- 10) Hosting strategy sessions and coordinates housing fairs with City and County Government Officials, Chamber of Commerce staff, and other interested community leaders to help determine the need for affordable housing and the availability of qualified borrowers.
- 11) Providing an internet based training system for the Georgia Dream lenders. The "Go to Meeting" is a web-based training, which affords DCA staff the ability to interact with lenders and to provide training on-line on an at needed basis.
- 12) Distributing Georgia Dream signs to Realtors, lenders and their partners. These signs are placed in front of the loan offices and besides Realtor's signs on the property for sale.
- 13) Offering recapture tax protection at no cost to the borrowers for first mortgage loans insured through Genworth Financial. Coverage of up to \$6,000 remains in effect for five years as long as Genworth Insurance remains in force.
- 14) Increasing the Business Development/Marketing staff to include an inside marketing position to provide direct access to loan information, lender contacts, interest rates, facilitate public informal sessions, assist field

personnel, distribute marketing materials, update databases for lender and realtor training and answering all program inquiries via telephone and email communication.

15) Offering continuing education classes for real estate professional boards twice a year by the Business Development/Marketing staff.

- DCA is dedicated to ending the practice of discrimination and promoting fair housing laws, as well as educating lenders, real estate professionals, housing providers, and residents in complying with the laws. Working with partners, as well as the private sector, DCA is involved in a cooperative effort to increase access to the nation's housing stock so that more Americans can choose to live where they want to live. Informing the general public and housing industry professionals of fair housing laws is an essential element of efforts to eliminate housing discrimination.
- DCA continues to team with the Georgia Consortium for Personal Financial Literacy Group to promote wise decisions for consumers.
- DCA is committed to working with lenders to identify high cost loans and HUD's Office of RESPA and Interstate Land Sales to vigorously enforce RESPA laws to fight predatory lending.
- DCA continues to collaborate with the Georgia Real Estate Fraud Prevention & Awareness Coalition (GREFPAC), which creates environments that promote honesty, openness & fairness in real estate transactions.
- DCA's contract counseling agencies also provide services such as reviewing loan papers and loan terms and provide counseling under the Georgia Fair Lending Act.
- DCA has trained and certified counselors throughout the state to provide counseling required under the Georgia Fair Lending Act (GFLA). Additionally, brochures and other information booklets are distributed at most DCA functions, provided as requested.
- The Community Block Grant Program can provide local governments flexible investments in for eligible housing activities to carry out a comprehensive strategy of revitalization to stabilize and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

Suitable living environment: The provision of a suitable living environment improves the safety and livability of neighborhoods; increases access to quality public and private facilities and services; reduces the isolation of income groups within a community or geographical area by offering housing opportunities for persons of lower-income and revitalizes deteriorating or deteriorated neighborhoods; restore, enhance, and preserve natural and physical features of special value for historic, architectural or aesthetic reasons; and conserve energy resources.

- The Community HOME Investment Program (CHIP) provides HOME funds for local governments wishing to develop or preserve affordable housing in their communities. CHIP funds can only be used for activities, which result in the production, acquisition, or rehabilitation of decent, safe, and sanitary housing units that will be occupied by income eligible home buyers, homeowners, or tenants. The funds can be also 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, refinancing, and permanent mortgage financing.

- The Community Development Block Grant Program is the State's major program of financial assistance to smaller local governments to help them improve their communities. Funds are provided for a wide array of eligible activities such as new or improved water, sewer, street and drainage facilities. Local government can also apply for these funds for new or improved facilities such as Senior Citizen Centers, Health Facilities, Head Start Facilities, Boys and Girls clubs, Neighborhood Centers, Literary Centers and other buildings where critical services are provided.
- The Georgia Dream Single Family Development Program also assists in the expansion of affordable single family housing and to reinvest in distressed neighborhoods. Prospective housing developers may construct new housing in subdivision style settings, rehabilitate vacant and dilapidated housing in established neighborhoods or construct new housing on vacant lots in inner city communities. Nonprofit and for-profit housing developers, local public housing authorities, and local affiliates of Habitat for Humanity may apply for financing to assist with the construction and sale of single family housing. These resources are offered as gap financing in the form of a Home Buyer Subsidy and/or a Development Subsidy. Applicants are required to obtain construction term financing from another lending source.
- DCA is committed to ensuring that all subsidized families live in units that meet basic quality standards. In addition, serious management weaknesses that have plagued rental units for years are addressed. DCA is addressing housing problems that threaten the health of America's children. DCA will continue to require recipients of federal HOME and CDBG funds that engage in rehabilitation activities to follow HUD regulations that require the control of lead based paint hazards and safe work practices. DCA will also continue to serve on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state and federal agencies, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs. Lead Based Paint information is distributed to residents of public housing and landlords of the Housing Voucher Choice program. Landlords are also required to sign a landlord certification responsibility form, which certifies that they will follow all equal opportunity requirements, screen families for criminal background and drug activity, and to perform necessary maintenance complying with Housing Quality Standards.
- DCA will continue to focus on improving enforcement and regulatory oversight throughout our programs with monitoring compliance by funding recipients.
- DCA is dedicated to improving the accessibility of homes in which an individual with a disability resides by offering a grant to the homeowner through the Home Access Program. Up to \$15,000 of grant funds may be used to fund the total accessibility modification costs to be completed on a housing unit thru a DCA-approved Contract Administrator.

Provide economic opportunity: The provision of expanded economic opportunities creates and retains jobs; establishes, stabilizes, and expands small businesses (including micro-businesses); provides public services concerned with employment; provides jobs to low income persons living in areas affected by those programs and activities; makes available mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; provides access to capital and credit for development activities that promote the long-term economic and social viability of the community; and provides empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally-assisted and public housing.

DCA provides programs that have provided significant support to local governments to help improve economic conditions in distressed communities. DCA also provides a variety of community development programs through the Community Development Block Grant (CDBG) and many state funded programs that help the state's communities realize their growth and development goals. CDBG funds expand the state's economic base and create quality jobs for persons in the low-and moderate-income levels. CDBG provides funding to assist a wide range of eligible activities, including housing improvement projects, public facilities such as water and sewer lines, buildings such as local health centers or head start centers, and economic development projects. CDBG has six basic program areas:

1. The Annual Competition, which makes competitive funds available to local governments for any eligible CDBG activity addressing locally, identified needs.
2. The Revitalization Area Program rewards innovative local strategies and recognizes that no one strategy or design will work for Georgia's diverse communities.
3. The Employment Incentive Program (EIP) is intended to facilitate and enhance job creation and/or retention, principally for low and moderate income persons, by providing a flexible and expedient funding cycle that is responsive to expanding economic opportunities at the local level.
4. The Redevelopment Fund provides flexible financial assistance to local governments to assist them in implementing challenging economic and community development projects that cannot be undertaken with existing public sector grant and loan programs.
5. The Immediate Threat and Danger Program is intended to respond to events or situations which have a particular urgency and uniqueness which adversely affect or impact the health or welfare of the community and its citizens and where other financial resources are not available to meet such need.
6. The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development-financing tool, which assists non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee.

The outcomes in this system help further refine the objectives and capture the nature of change or the expected result. Availability/accessibility applies to activities that

make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to extremely low, low and moderate-income people. Affordability applies to activities that provide affordability in a variety of ways to extremely low, low and moderate-income people. Sustainability applies to activities that are aimed at improving communities or neighborhoods, or helping to make them livable or viable by providing benefit to extremely low, low and moderate income people. One of the more difficult aspects of this Performance Outcome Measurement System is that it requires the quantification of planned annual and multiple year program outcomes in considerable detail including project completion and beneficiary data. This is a considerably easier task for entitlements, as they are able to plan uses for HUD funding years ahead. State programs typically utilize competitive annual award processes.

The table below links each funding component of the Action Plan to the relevant HUD goal and objective and identifies the applicable HUD Outcome Statement and Indicator. Outcome Indicators will be reported in HUD's Integrated Disbursement Information System (IDIS) and annually in the Consolidated Annual Performance report (CAPER) which is made available to the public each year.

Additionally, HUD has identified several basic and specific indicators to be used depending on the funded activity and its intent. CDBG activities may collect any of the applicable indicator data and meet the HUD Performance Measurement System requirements. To ensure that each activity meets the established goals the following steps will be followed:

1. Establish a performance measurement data collection system to directly integrate with HUD's IDIS including:
 - ③ ongoing revisions to CDBG Application forms
 - ③ revised quarterly and final report forms and instructions
2. Expose local staff to HUD's new reporting requirements at our annual CDBG Recipient's Workshop.

SUMMARY OF PROPOSED ACTION PLAN

Program Area	HUD Objective/ Outcome	Outcome Statement and Indicators	Source of Funds	Allocation Amount
Annual Competition: Public Facility Grants	Objective: Creating/Enhancing Suitable Living Environment Outcome: Availability/Accessibility (1,1)	Grants will be made to units of local government for locally identified new or improved public facilities, such as water and sewer facilities, street and drainage facilities or other needed facilities. Indicators will be the number of people served.	CDBG	\$29,731,179 set-aside for competition
Annual Competition: Housing Grants Housing Rehabilitation Down Payment Assistance	Objective: Creating Decent Affordable Housing Outcome: Sustainability (3,2) Affordability (2,2)	Grants will be made to units of local government for locally identified new or improved housing. Households will have decent, affordable and sustainable housing. Indicators will be the number of households and people served.	CDBG	\$29,731,179 set-aside for competition
Redevelopment Fund	Objective: Creating/Enhancing Suitable Living Environment (Slum and Blight Removal) and Creating Economic Opportunities Outcome: Sustainability (3,2) Availability/Accessibility(1,3) Affordability(2,2)	Grants will be made to units of local government for projects which eliminate slums or blight (on a spot basis). Indicators will be number of businesses assisted and funds leveraged.	CDBG	\$1,500,000 set-aside for competition
Employment Incentive Program (EIP)	Objective: Creating or sustaining economic opportunities. Outcome: Availability/ Accessibility (1,3) Affordability	Grants will be made to units of local government for projects which create or retain employment. Indicators will be number of businesses assisted, funds leveraged and jobs created or retained.	CDBG	\$7,000,000 set-aside for competition
Immediate Threat and Danger Program	Objective: Creating/Enhancing Suitable Living Environment Outcome: Availability/Accessibility (1,1)	Grants will be made to units of local government to respond to threats to health or safety including new or repairs to public facilities, such as water and sewer facilities, or other needed facilities. Indicators will be the number of people served.	CDBG	CDBG \$500,000 set-aside
Housing and Supportive Services	Objective: Providing Decent Affordable Housing Outcome: Affordability (2,2) The indicator will be the number of households served.	During SY2009, the State proposes to assist 600 low-income households living with HIV/AIDS and their families through the HOPWA Program with the objective of providing decent housing with the outcome of affordability.	HOPWA	*Determined by applications submitted

Program Area	HUD Objective/ Outcome	Outcome Statement and Indicators	Source of Funds	Allocation Amount
Homeless and Special Needs Housing	<p>Objective: Creating suitable living environments</p> <p>Outcome: Accessibility (1,1)</p> <p>The indicator will be the number of homeless persons given emergency and transitional shelter, number of households receiving assistance to prevent homelessness.</p>	<p>During SFY2009, the State proposes to make shelter and/or transitional housing available through the ESG Program to an average of 4,300 homeless individuals daily with the objective of providing a suitable living environment for persons who would otherwise be living in unstable environments or living on the street.</p> <p>During SFY 2009, the State proposes to make essential services accessible through the ESG Program to an average of 8,700 homeless individuals daily in order to address a myriad of supportive service needs associated with their homelessness with the objective that the homeless participants will be able to obtain a suitable living environment to improve their quality of life.</p>	ESG/ State Housing Trust Fund	\$2,199,724
Permanent Supportive Housing Program	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Accessibility (1,2)</p> <p>The indicator will be the amount of capital resources and rental assistance necessary for sustainable supportive housing to assist Georgia's efforts to implement de-institutionalization strategies (Georgia State Olmstead Plan) and further promote Georgia's goal of reducing and eliminating homelessness (Georgia State Plan to End Homelessness) through the production of affordable permanent rental housing with accompanying supportive services for Homeless Tenants</p>	<p>Accessibility for the purpose of providing financial assistance in the development of rental units for homeless, special needs households and tenant-based rental assistance.</p>	HOME/ HOME Program Income	\$8,452,358
Georgia Dream Single Family Development Program	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Affordability (2,2)</p> <p>The indicator will be the number of units sold to first time home buyers.</p>	<p>Affordability for the purpose of providing decent affordable housing for households below 80% of AMI.</p>	HOME/ HOME Program Income	\$884,549

Program Area	HUD Objective/ Outcome	Outcome Statement and Indicators	Source of Funds	Allocation Amount
HOME Rental Housing Loan Program	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Affordability (2,2)</p> <p>The indicator will be the number of rental units constructed or rehabilitated.</p>	Affordability for the purpose of providing decent affordable rental housing for low to moderate households, number of years of affordability, number of units occupied by the elderly and those designated for those with special needs.	HOME/ HOME Program Income	\$9,672,172
HOME Rental Housing Preservation Loan	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Affordability (2,2)</p> <p>The indicator will be the number of existing rental units rehabilitated.</p>	Affordability for the purpose of providing decent affordable rental housing for low to moderate households, number of years of affordability, number of units occupied by the elderly and those designated for those with special needs.	HOME/ HOME Program Income	\$0 This program will be offered using funds allocated in previous plans.
Community HOME Investment Program	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Affordability (2,2) Sustainability (3,2)</p> <p>The indicators will be the number of first time home buyers receiving down payment assistance and the number of homeowner units or investor-owned units receiving housing rehabilitation assistance. Assistance to investor-owned units and multi-family units is done on a limited basis only.</p>	<p>Affordability for the purpose of providing decent affordable housing for first time home buyers at or below 80% of AMI.</p> <p>Sustainability for the purpose of providing decent affordable housing for homeowners; the number of units constructed, acquired, and /or acquired with rehabilitation; number of years of affordability; the number of owner occupied units rehabilitated and whose household incomes are at or below 80% of AMI.</p>	HOME/ HOME Program Income	\$2,948,497
Georgia Dream Homeownership Program	<p>Objective: Providing Decent Affordable Housing</p> <p>Outcome: Affordability (2,2)</p> <p>The indicators will be the number of first time home buyers receiving down payment assistance and the number of first time home buyers receiving home buyer education and counseling.</p>	Affordability for the purpose of providing decent affordable housing for first time home buyers at or below 80% of AMI.	HOME/ HOME Program Income/ HUD Housing Counseling Fund/ State HOME funds/ADDI	\$5,744,873

Program Area	HUD Objective/ Outcome	Outcome Statement and Indicators	Source of Funds	Allocation Amount
CHDO Operating Assistance Program	<p>Objective: Providing Decent Affordable Housing Creating economic opportunity</p> <p>Outcome: Affordability (2,2) or (2,3)</p> <p>The indicator will be the amount of financial assistance provided to assist Community Housing Development Organizations (CHDOs) to maintain their operations and develop their capacity to implement future housing developments.</p>	Affordability for the purpose of providing decent affordable rental housing for low to moderate households.	HOME/ HOME Program Income	\$0 This program will be offered using funds allocated in previous plans.
CHDO Predevelopment Loan Program	<p>Objective: Providing Decent Affordable Housing Creating economic opportunity</p> <p>Outcome: Affordability (2,2) or (2,3)</p> <p>The indicator will be the amount of financial assistance provided to assist Community Housing Development Organizations (CHDOs) in the preparation of development financing applications.</p>	Affordability for the purpose of providing decent affordable rental housing for low to moderate households.	HOME/ HOME Program Income	\$58,672

D. CONSOLIDATED PLAN TABLES

HUD Table 1 illustrates the needs of the homeless, special needs and housing populations.

HUD Table 1: Housing, Homeless and Special Needs Population Housing Needs

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 -30% of MFI	45,839	79,707	21,906	71,560	219,012	146,515	365,527
% Any housing problem	58%	77%	89%	70%	72%	69%	71%
% Cost burden > 30	19%	13%	8%	9%	13%	16%	14%
% Cost Burden > 50	36%	50%	23%	57%	47%	47%	47%
31 - 50% of MFI	25,198	65,594	19,663	46,582	157,037	160,830	317,867
% Any housing problem	50%	68%	79%	78%	70%	55%	62%
% Cost burden > 30	29%	43%	20%	45%	38%	23%	30%
% Cost Burden > 50	18%	14%	4%	30%	18%	27%	23%
51 - 80% of MFI	17,022	93,318	26,906	78,515	215,761	303,202	518,963
% Any housing problem	36%	32%	59%	42%	40%	42%	41%

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
% Cost burden > 30	25%	22%	6%	36%	25%	27%	26%
% Cost Burden > 50	7%	1%	.4%	3%	2%	10%	6%

Special Notes: HUD's adjusted median family incomes (MFI) are estimated for a family of four. HUD defines "any housing problems" as cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Through its Continuum of Care planning process, the State identifies the gaps in the existing shelter system and enumerates the number of homeless individuals who are sheltered and unsheltered, with specific special need characteristics identified, as information is available.

Homeless Continuum of Care: Housing Gap Analysis Chart

	Current Inventory	Under Development	Unmet Need/ Gap
--	-------------------	-------------------	-----------------

Individuals

Example		100	40	26
Beds	Appendix B <i>Emergency Shelter</i>			
	Emergency Shelter	558	0	530
	Transitional Housing	438	30	1,589
	Permanent Supportive Housing	437	99	1,514
	Total	1,433	129	3,633

Persons in Families With Children

Beds	Emergency Shelter	506	0	1,314
	Transitional Housing	660	0	4,874
	Permanent Supportive Housing	521	111	2,628
	Total	1,687	111	8,816

Continuum of Care: Point-in-Time Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
1. Number of Households with Dependent Children	142	166	1,242	1,550
1a. Number of Persons in these Households (adults and children)	300	580	4,347	5,227
2. Number of Households without Dependent Children**	474	365	3,028	3,028
2a. Total Number of Persons in these Households	616	475	3,937	3,937
Total Persons (Add lines Numbered 1a & 2a)	916	1,055	8,284	10,255

Part 2: Homeless Subpopulations (Adults only, except g. below)	Sheltered	Unsheltered	Total
a. Chronically Homeless	278	383	443
b. Severely Mentally Ill	284		
c. Chronic Substance Abuse	420		
d. Veterans	87		
e. Persons with HIV/AIDS	79		
f. Victims of Domestic Violence	544		
g. Unaccompanied Youth (Under 18)	137		

*Optional for unsheltered homeless subpopulations

**Includes single individuals, unaccompanied youth, and other adults (such as a married couple without children

***For “sheltered” chronically homeless subpopulations, list persons in emergency shelter only

Housing, Homeless and Special Needs (Point-in-Time)

Special Needs Subpopulations (Adults only, except 9. below)	Unmet Need
1. Elderly	5,270*
2. Frail Elderly	1,318*
3. Severely Mentally Ill	911
4. Developmentally Disabled	3,142*
5. Physically Disabled	249*
6. Chronic Substance Abuse	1,740
7. Persons w/HIV/AIDS	290
8. Victims of Domestic Violence	911
9. Unaccompanied Youth (Under 18)	165

*The unmet need of the sub-populations of Elderly, Frail Elderly, Developmentally Disabled, and Physically Disabled are not required or tracked in the Continuum of Care. The figures shown are estimates derived from multiple sources, including but not limited to, the U.S. Census, Center for Disease Control, Georgia Department of Human Resources, Division of Aging Services and the Unlock the Waiting Lists Campaign.

HUD Table 1, the Housing, Homeless, and Special Needs Population Housing Needs was prepared using Comprehensive Housing Affordability Strategy 2000 data as available through the U.S. Department of Housing and Urban Development (HUD), which is available online at the following address: www.huduser.org/datasets/cp.html.

DCA specifically conducts surveys to identify the needs of the homeless population. The January 2007 count was conducted to enumerate the sheltered and unsheltered homeless persons in the Continuum of Care (CoC). Emergency shelter providers – 70%, Transitional-housing providers – 83%, and Permanent Supportive Housing Providers – 100%, completed the populations and subpopulations survey.

The State’s CoC covers 152 of Georgia’s 159 counties and includes eleven (11) of Georgia’s twenty-two (22) entitlement communities. For sheltered homeless, most of the shelters, transitional facilities and permanent supportive facilities in the Georgia

Balance of State CoC inventory are funded directly by DCA, the attached housing authority, or they receive funding through the CoC. All DCA grantees are required to keep daily logs of persons in beds, as well as daily logs of persons seeking those beds. These logs are annualized each April in reports to DCA. Additional data was gathered in a shelter survey targeted to non-DCA grantees, last year on January 24, 2007. These data sources are consolidated at that time to determine unmet needs. For unsheltered homeless, DCA extensively analyzes daily records showing shelter and transitional housing bed supply vs. demand is used to generate unmet need. Unsheltered and chronic homeless populations are estimated based on assumptions from local censuses and national studies. Counts of unsheltered homeless people are taken annually. DCA has entered into a contract with Kennesaw State University to develop a sampling methodology for the 2008 point-in-time count, covering the 152 counties in the Balance of State CoC.

The State developed priorities for both housing, community development needs, and HUD Table 2A reflects the identified prioritization of these needs. The five federal programs covered by the Consolidated Plan address these needs. CDBG funding is the largest part of the State's annual HUD funding, making up about 60 percent of the \$66 million received from HUD. HOME funds are the second largest source of housing and community development funding at about 33 percent of the total. Clearly, these funding sources play a very important role in meeting the State's priority needs. This plan identifies the areas of greatest need for the State (and nonentitlement areas) in general, and this information is used to guide the funding priorities for each program year. The State is unable to place a specific priority need in the below-mentioned categories.

The check mark indicates that the State intends to use funds made available for activities during this period but that the availability of funds and identification of needs determines the allocation of investments as to when funds are actually available and when actual needs are identified.

HUD Table 2A: State Priority Housing/Special Needs/Investment Plan Table

PART 1. PRIORITY HOUSING NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No	
Renter	Small Related	0-30%	<input type="checkbox"/>
		31-50%	<input type="checkbox"/>
		51-80%	<input type="checkbox"/>
	Large Related	0-30%	<input type="checkbox"/>
		31-50%	<input type="checkbox"/>
		51-80%	<input type="checkbox"/>
	Elderly	0-30%	<input type="checkbox"/>
		31-50%	<input type="checkbox"/>
		51-80%	<input type="checkbox"/>
	All Other	0-30%	<input type="checkbox"/>
		31-50%	<input type="checkbox"/>
		51-80%	<input type="checkbox"/>
Owner		0-30%	<input type="checkbox"/>
		31-50%	<input type="checkbox"/>
		51-80%	<input type="checkbox"/>
PART 2 PRIORITY SPECIAL NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No	
Elderly			<input type="checkbox"/>
Frail Elderly			<input type="checkbox"/>
Severe Mental Illness			<input type="checkbox"/>
Developmentally Disabled			<input type="checkbox"/>
Physically Disabled			<input type="checkbox"/>
Persons w/ Alcohol/Other Drug Addictions			<input type="checkbox"/>
Persons w/HIV/AIDS			<input type="checkbox"/>
Victims of Domestic Violence			<input type="checkbox"/>

Other	<input type="checkbox"/>
PART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
Acquisition of existing rental units	<input type="checkbox"/>
Production of new rental units	<input type="checkbox"/>
Rehabilitation of existing rental units	<input type="checkbox"/>
Rental assistance	<input type="checkbox"/>
Acquisition of existing owner units	<input type="checkbox"/>
Production of new owner units	<input type="checkbox"/>
Rehabilitation of existing owner units	<input type="checkbox"/>
Homeownership assistance	<input type="checkbox"/>
HOME	
Acquisition of existing rental units	<input type="checkbox"/>
Production of new rental units	<input type="checkbox"/>
Rehabilitation of existing rental units	<input type="checkbox"/>
Rental assistance	No
Acquisition of existing owner units	<input type="checkbox"/>
Production of new owner units	<input type="checkbox"/>
Rehabilitation of existing owner units	<input type="checkbox"/>
Homeownership assistance	<input type="checkbox"/>
HOPWA	
Rental assistance	<input type="checkbox"/>
Short term rent/mortgage utility payments	<input type="checkbox"/>
Facility based housing development	No
Facility based housing operations	<input type="checkbox"/>
Supportive services	<input type="checkbox"/>
Other	

E. FEDERAL RESOURCES AVAILABLE TO GEORGIA

OVERVIEW OF FFY2008 FEDERAL RESOURCES

The State expects to utilize a variety of federal resources to address Georgia's housing and community development needs. These resources include the five programs covered by the State's Consolidated Plan: the HOME Investment Partnership (HOME), American Dream Downpayment Initiative (ADDI), Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) programs. HUD has notified the State of Georgia of its eligibility for a consolidated FFY2008 formula allocation of \$65,831,456. The State's allocation is divided between programs as follows:

CDBG:	\$40,055,023
HOME:	\$21,686,923
ESG:	\$ 2,199,724
HOPWA:	\$ 1,744,000
ADDI:	\$ 145,606

HUD also will make available additional resources from these five programs directly to individual entitlements or participating jurisdictions to address housing and community development needs within their communities. Participating jurisdictions under the HOME program include the cities of Albany, Atlanta, Macon, and Savannah as well as the counties of Clayton, DeKalb, and Gwinnett. Three consolidated governments - Athens-Clarke County, Augusta-Richmond County and Columbus-Muscogee County also receive HOME funds directly from HUD. In addition, two consortiums - the Georgia Urban County Consortium (composed of Cherokee and Cobb counties) and Fulton County-City of Roswell - will also receive an allocation of HOME funds. With the addition of the cities of Brunswick, Dalton, Gainesville, Hinesville, Rome, Sandy Springs, Valdosta, Warner Robbins and the exclusion of Cherokee County, all of these jurisdictions are also entitlements for the CDBG program and, therefore, directly receive those funds annually from HUD. Each of these communities is required to submit a Consolidated Plan to reflect its respective housing and community development needs and strategies. Thus, the State's Consolidated Plan does not govern use of local entitlement funds in these communities.

In 1998, the Georgia Housing and Finance Authority received its first allocation of HUD Housing Counseling funds to implement comprehensive housing counseling and education to households interested in purchasing a home. The State will continue this program at the onset of SFY2009 using a tenth allocation of funds received for FFY2008. GHFA will apply to HUD for a eleventh funding cycle to keep this program available through the entirety of SFY2009.

In addition, the State anticipates the availability of the following federal program funds or incentives to address Georgia's housing and community development needs during SFY2009. Funds are listed by general topic areas:

Affordable Rental Housing: Housing Choice Voucher Program, Rural Housing and Economic Development Program, Low Income Housing Tax Credit, United States Department of Agriculture-Rural Development (USDA-RD) Section 504 Home Improvement and Repair Loans and Grants, USDA-RD Section 538 Rural Rental Housing Guaranteed Loans, USDA-RD Section 521 Rental Assistance, USDA-RD Section 514 Farm Labor Housing Loans and Grants, USDA-RD Section 523 and 524 Rural Housing Site Loans, USDA-RD Section 533 Housing Preservation Grant program, USDA-RD Rural Community Development Initiative, HUD Fair Housing Organizations Initiatives, Capacity Building for Community Development and Affordable Housing.

Homeownership: HUD Self-Help Homeownership (SHOP) Program, Homeownership Voucher Assistance, USDA-RD Section 502 Direct Loan Program, American Dream Downpayment Initiative, Grants, Housing Choice Vouchers for Homeownership, USDA-RD Section 502 Guaranteed Rural Housing Loan, USDA-RD Section 504 Home Improvement and Repair Loans, Self-Help Housing Property, Disposition, Single Family Property Disposition Program (Section 204(g)), Counseling for homebuyers, Homeowners and Tenants (Section 106), and Good Neighbor next Door.

Public Housing: Comprehensive Grant Program, Public Housing Development funds, HOPE VI Revitalization, Demolition Programs, Public Housing Operating Fund, Section 3 Program, Family Resident Opportunity and Self-Sufficiency Program, Indian Community Development Block Grant (ICDBG) Program, Indian Housing Block Grant (IHBG) Program, Public Housing homeownership- Section 32, Public Housing Neighborhood Network (NN) Program, Project Housing Capital Fund, Project-Based Voucher Program and Renewal of Section 8 Project –Based Rental Assistance.

Homeless: HUD Section 811, HUD Shelter Plus Care, HUD Supportive Housing Program, HUD Section 8 Moderate Rehabilitation for Single Room Occupancy for Homeless Individuals Program, Safe Havens, Georgia Entitlement Section 8, and Surplus Property for Use to Assist Homeless (Title V).

Special Needs Housing: USDA-RD Home Improvement Loans and Repair Grants, USDA-RD Section 514 Farm Labor Housing Loans and Grants, the HUD Supportive Housing Program, HUD Supportive Housing for the Elderly (Section 202) Program, HUD Supportive Housing for Persons with Disabilities (Section 811), Housing Choice Vouchers for Homeownership, Resident Opportunity and Self-Sufficiency (ROSS) Program, Assisted-Living Conversion Program (ALCP) and Multifamily Housing Service Coordinators.

Non-Housing Community Development Needs: HUD Brownfields Economic Development Initiatives, HUD Economic Development Initiative, Renewal Communities; USDA-RD Community Facilities Direct Loans

and Loan Guarantees; Rural Utility Service loans and grants; Appalachian Regional Commission Funds; USDA-Rural Business Service (USDA-RBS) Business and Industrial Guaranteed Loans, USDA-RBS Intermediary Relending Program Loans, USDA-RBS Rural Business Enterprise Grants, USDA-RBS Rural Economic Development Loans and Grants, USDA-RBS Local Technical Assistance and Planning Grants, and USDA-RBS Rural Technology and Cooperative Development Grants, Healthy Homes and Lead Hazard Control, New Construction or Substantial Rehabilitation of Nursing Homes, Intermediate Care Facilities, Board and Care Homes, Assisted Living facilities (Section 232), Purchase or Refinancing of Existing Facilities (Section 232/223(f), Loan Guarantee Recovery Fund for Church Arson and Other Acts of Terrorism, Youthbuild, CDBG for insular areas.

The federal government designated certain neighborhoods within the City of Atlanta as a federal empowerment zone, providing up to \$100 million in funds, offering tax incentives, providing technical assistance, and easing federal regulations in an effort to spur the social, economic and physical redevelopment of these inner-city neighborhoods. Effective January 2002, the City of Atlanta became a Renewal Community. Four broad goals were set, which include expanding employment and investment opportunities, creating safe and livable communities, lifting youth and families out of poverty and providing adequate housing. As a result of this designation, Atlanta received regulatory relief and tax breaks to help local businesses provide jobs and promote community revitalization. This designation ends in January 2010. All of the tax incentives expire in 2009, with the exception of the environmental cleanup deduction, which expired in 2004, but is retroactive to 1997. To encourage the development of rental housing units in a federal or state Enterprise Community, or a HUD or USDA Empowerment Zone or a Renewal Community.

In 1999, USDA formalized the Champion Communities program by inviting all the communities who submitted strategic plans to continue implementing their plans by signing agreements with USDA. USDA designated Southern Lower Chattahoochee Region COG, ABC Champion Community, Central Savannah River Area, Macon County, and Okefenokee Empowerment Board as Champion Communities. All of these communities receive special funding through Rural Development to meet long-term goals. Projects include water and waste disposal systems, business development, housing, community facilities and essential equipment, like fire or police vehicles and computers. As a result of this program, other agencies have targeted funds and other initiatives to Champions. Typically, local States and private investments provided a \$10 match from other sources for every \$1. USDA Rural Development has funded more than \$167 million in development projects in Champion Communities. All three designation rounds expire in December 31, 2009.

Additionally, the State Board of Pardons and Paroles through a grant from the Federal Criminal Justice Coordinating Council and the Georgia Criminal Justice Coordinating Council has partnered with the Department of Corrections and the State Housing Trust Fund for the Homeless to offer the Re-Entry Partnership Housing Program (RPH). This program provides housing to convicted felons who

remain in prison after the Parole Board has authorized their release due solely to having no residential options. Re-entry housing partners must provide released offenders stable housing and food. The goal of the RPH program is to provide short-term financial assistance to help stabilize an individual's re-entry process to enhance his or her ability to remain crime free. The State Housing Trust Fund for the Homeless (HTF) is the administrative agent for this program. The Georgia Department of Community Affairs (DCA) administers the HTF.

F. NON-FEDERAL PUBLIC RESOURCES

The State of Georgia expects to use funds from seven major non-federal resources to address its housing and community development needs.

STATE APPROPRIATION TO THE HOME PROGRAM

The State General Assembly annually appropriates funds towards the State's contribution to meet its 25% match obligation required by the federal HOME program regulations. Funds may be awarded to eligible projects funded through the Georgia Dream Second Mortgage program.

BOND PROCEEDS

Mortgage Revenue Bond programs provide below-market interest rate funds for single-family homebuyers loans made to qualifying recipients. The State uses the proceeds from mortgage revenue bonds issued by GHFA to fund its Georgia Dream First Mortgage Program. This program offers first mortgage loans below the prevailing market interest rate to qualified low to moderate-income home buyers seeking to purchase a principal residence. DCA administers the Georgia Dream First Mortgage Program on behalf of GHFA. The program is available statewide and loans must be originated through a participating lender. The program also has five rate categories based on the loan type and/or credit score along with the loan to value ratio.

GEORGIA HOUSING TAX CREDIT

During its 2000 session, the General Assembly passed legislation to create a Georgia Housing Tax Credit for qualified projects placed in service after January 1, 2001. This Credit is provided to a project in an amount equal to the federal housing tax credit allowed. To be eligible to receive the Georgia Housing Tax Credit, the project must meet the qualifications for the federal Low Income Housing Tax Credit defined in Section 42 of the Internal Revenue Code of 1986 and the applicable Qualified Allocation Plan.

The State began implementation of this program in SFY2001. DCA also administers this program on behalf of the State. This program provides a federal tax credit as an incentive for the development of affordable housing projects. The purpose of this program is to encourage the investment in affordable rental housing projects, which will in turn increase the availability of rental housing units for Georgians.

Low Income Housing Tax Credits (LIHTC) have been an important tool in the development and preservation of affordable rental housing in Georgia. The Housing Tax Credit Program allocates federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy for low-income tenants. The program helps to address the need for affordable rental housing by providing a 10-year federal and state tax incentive to attract private investment for the development of affordable housing. The money raised by the sale of the tax credits reduces the size of the mortgage needed for development, so rents can be reduced. Owners agree to rent all or some of their units to low-income residents for 30 years.

The Tax Reform Act of 1986 created the Low Income Housing Tax Credit to promote the development of rental housing for low-income residents through tax incentives rather than direct subsidies. Under this program, taxpayers that develop and own qualified rental projects that reserve all or a portion of the units for low-income residents are eligible to receive a credit against federal income tax liability. Recipients must either: (1) have at least 40% of their units rented at all times to tenants with incomes that are 60% or less of the area median income or (2) have at least 20% of their units rented at all times to tenants with incomes which are 50% or less of the area median income. Program income requirements are set by the federal government, and adjusted for family size. During the upcoming fiscal year, program will be competitively available to owners of projects involving new construction or the rehabilitation of existing units.

GEORGIA HOUSING TRUST FUND FOR THE HOMELESS

The Georgia Housing Trust Fund for the Homeless (HTF) plans to fund emergency shelter, transitional housing, supportive housing, and support service programs in SFY2008 through its allocation of funds from the General Assembly. All programs are administered by DCA on behalf of the HTF.

The first activity, the State Emergency Shelter Grant Program, provides shelter and essential services to homeless persons throughout Georgia by making available HTF funds and Federal ESG funds to nonprofit organizations and local government entities operating homeless shelters and/or providing services to the homeless. This program provides the 50% match required for receipt of the federal ESG funding.

Second, the State Housing Trust Fund will retain an \$800,000 contribution to the total program funding for the Permanent Supportive Housing Program. The remaining funding for the program will include federal HOME monies. This program provides the capital resources and rental assistance necessary for sustainable supportive housing to assist Georgia's efforts to implement de-institutionalization strategies and further promote Georgia's goal of reducing and eliminating homelessness through the production of affordable permanent rental housing with accompanying supportive services for Homeless Tenants through the allocation of Federal HOME block grant and State Housing Trust Fund assistance.

Third, the State Housing Trust Fund provides grant funding for the Home Access Program. These funds are distributed to DCA-approved Contract Administrators to provide accessibility improvements at owner-occupied homes in which individuals with a disability reside and utilize as their primary residence. Funds may be used to complete any of the following activities: widening of interior and exterior doorways, construction of wheelchair ramps, bathroom retrofitting, installations of chair or porch lifts, accessibility improvements to kitchens, lowering of closet shelves and installation of visual aids and/or audible alarms. Through the program, total funds of \$300,000 will be made available in SFY2009 to eligible applicants, with up to \$15,000 provided for accessibility modifications per home. In addition, the total household income must be less than 80% of the state average median income adjusted for family size as defined by the HUD. Eligible applicants may not have more than one modification project completed at their residence during a program cycle.

In addition, with HTF funds, the State anticipates making \$500,000 in matching dollars available for DCA's Shelter Plus Care initiatives.

ONEGEORGIA AUTHORITY

The OneGeorgia Authority makes grants and loans to local government entities typically rural communities for economic development. The OneGeorgia Authority was created by the Governor and the Legislature to utilize one third of the state's tobacco settlement to assist the state's most economically challenged areas. Over the 25-year term of the settlement, \$1.6 billion is anticipated to be available. The governing board consists of the Governor, Lieutenant Governor, Office of Planning and Budget, Georgia Department of Affairs, Georgia Department of Economic Development and Department of Revenue. There are seven basic fund areas: Equity, Economic Development Growth and Expansion (EDGE), E-911, Broadband Rural Initiative to Develop Georgia's Economy (BRIDGE), Entrepreneur and Small Business Development Loan Guarantee (ESB), AirGeorgia Fund (Airport Initiative in Rural Georgia) and Strategic Industries Loan Fund. The Equity Fund provides financial assistance to rural communities to help build the necessary infrastructure for economic development and the creation of jobs. Approximately \$15,000,000 will be available for capacity building and existing industry through this program. Equity funds are also available as loans for several different types of projects, such as constructing speculative buildings in order to attract additional industries to these regions. The E-911 Fund is devoted to assist counties throughout Georgia in setting up E-911 emergency telephone services. The BRIDGE Fund provides grants for publicly owned infrastructure based on the number of rural counties receiving new or enhanced high-speed broadband services. The ESB Fund provides new financial resources and opportunities for business development in Georgia's at-risk areas by partnering with accredited Georgia financial institutions. AirGeorgia provides grants to integrate airport infrastructure improvements into OneGeorgia's overall plan for rural economic development. AirGeorgia targets the 49 Level I and Level II airports in rural Georgia to accelerate a number of projects including runway extensions, installation of navigational aids, weather reporting stations and other projects deemed necessary to increase accessibility of Georgia's rural airports and

communities. The purpose of the Strategic Industries Loan Fund (the “Loan Fund”) provides loan assistance for the purchase of fixed assets to eligible applicants that are being considered as a relocation or expansion site for an emerging or development-stage company in a strategic industry targeted by Georgia. The Loan Fund is gap financing that is utilized when the private sector funds (including venture capital, angel or institutional investors, traditional commercial financing, and developer financing) are unavailable and when the health, welfare and economic security of the citizens of the state are promoted through the recruitment, development and retention of emerging and development-stage companies in strategic industries that are creating higher quality jobs. Approximately \$15,000,000 will be available for job creation projects under the Loan Fund.

CDBG FUNDS LEVERAGED

Local government applicants for the CDBG Program can receive additional points in the competition for non-CDBG resources committed to the proposed project. For the CDBG awards made in FFY2007 competition, the total amount of non-CDBG resources pledged to the CDBG funded projects was \$28,881,640. This is in addition to the required cash match described on the following page.

LOCAL CASH MATCH TO THE CDBG PROGRAM

The Georgia CDBG program requires a local cash match for all non-housing CDBG projects. The required cash match is based on the amount of CDBG funds received as follows:

- 0% for amounts up to \$300,000 in CDBG funds,
- 5% of amounts from \$301,000 to \$500,000, and
- 10% of amounts over \$500,000.

The actual cash match to be provided by local government recipients of FFY2007 CDBG funds totals \$739,450. DCA estimates that a similar amount will be provided for FFY2008 CDBG funds covered by this Plan. The actual cash match provided will depend on the profile of grants actually funded with these funds.

PUBLIC HOUSING

Management

The State of Georgia does not own, manage, nor operate any public housing as a public housing authority. Neither does the State foresee owning, operating, or managing any public housing in the future. Therefore, action in this area is not feasible. In 1937, the Georgia General Assembly enabled each county and city to establish functioning public housing authorities within their jurisdiction upon a declaration of need. Therefore, the State has not developed a plan to encourage public housing residents to become more involved in the public housing management or to become owners of their units. However, the State encourages individual PHAs to develop such a plan with residents. The State also continues to

encourage within its programs the transition of public housing residents into private housing living situations. As such, it does not anticipate any major State involvement in this area, except to continue to provide related program information to interested parties. While DCA does not specially target funds in the Consolidated Plan for public housing programs, the State of Georgia believes it has a vested interest in the federal government's commitment to continue to provide resources for the operation, maintenance and preservation of public housing and for the Housing Choice Voucher Program. Public Housing Authorities implement a large portion of Georgia's housing assistance effort. Local governments have created 202 PHAs, providing public housing. Seventeen PHAs offer Housing Choice Vouchers rental subsidies. PHAs utilize funds from public housing rent receipts, federal subsidies from HUD and proceeds from bond issues for some development costs. Over 108,000 residents live in the 55,834 units of local public housing available across Georgia.

Troubled Public Housing Authorities

Local public housing authorities (PHAs) are established through the auspices local government, subject to state enabling legislation. The HUD Office of Public and Indian Housing (OPIH) uses a scoring system by which it can determine if a housing authority is "troubled". DCA periodically contacts the OPIH Field Office in Atlanta to obtain an updated list of troubled authorities in the state. In the event that an authority whose service area is not entirely contained within a locality that must prepare a consolidated plan is determined to be troubled, DCA will consult with OPIH on the status of the troubled authority in order to make a determination to offer technical assistance focused on those areas of deficiency contributing to the designation with the intention of assisting in removing the designation. In December, 2007, OPIH indicated that there were twelve qualifying PHAs that met this criteria and had a "troubled" status. These PHAs include: Homerville, Thomaston, Fairburn, Jonesboro, Lithonia, Ringgold, Byron, Fort Valley, Manchester, and Blue Ridge, with the Marietta Housing Authority and the City of Marietta having Section 8 issues. Most of these troubled PHAs are relatively small with less than 100 units but only one PHA, Homerville has more than 250 units. The Office of Public and Indian Housing has established a Memorandum of Understanding (MOU) or is in the process of setting up a MOU with each troubled PHA that establishes a program that will enable a troubled PHA to resolve their troubling issues. Homerville already has taken action to address their deficiencies by engaging the Valdosta Housing Authority as contract administrator.

Upon consultation with the OPIH in Atlanta, it was determined that these PHAs were in the process of resolving their deficiencies working directly with OPIH or with HUD's Recovery Prevention Center (RPC) and that no State assistance was necessary at this time. DCA will continue to monitor the status of these troubled PHAs and any other qualifying PHA that acquires a "troubled" status in anticipation of offering technical assistance as needed.

In the event that an authority whose service area is not entirely contained within a locality that must prepare a consolidated plan is determined to be troubled, DCA

would be prepared to offer technical assistance, if applicable and upon the request of the local public housing authority focused on those areas of deficiency contributing to the designation with the intention of assisting in removing the designation.

Coordination Efforts with Public Housing Authorities

The State will continue activities to enhance coordination between public and assisted housing providers and private and government health, mental health, services, and fair housing agencies. DCA staff will continue its partnership with 10 local public housing authorities (Americus, Athens, Atlanta, Augusta, Brunswick, Columbus, Decatur/DeKalb, Hinesville, Macon, and Marietta) that have teamed with GHFA to create Georgia HAP Administrators (GHA), Inc. to provide Housing Choice Voucher Program Contract Administration services to HUD. Georgia HAP Administrators (GHA), Inc., is a nonprofit organization awarded a contract with HUD to provide the Housing Choice Voucher Program. HAP contract administration services to HUD for project-based Housing Choice Voucher Program assists properties in Georgia. GHA assumed this role on August 1, 2000. GHA will continue its operation in SFY2009.

Over the next two years, DCA will work with Calhoun Affordable Housing Development and the Calhoun Housing Authority to coordinate planned housing improvements. The City of Calhoun has plans to contract for a redevelopment plan that addresses its growth, zoning, infrastructure and housing improvements.

DCA is committed to ensuring that all subsidized families live in units that meet basic quality standards. DCA is addressing housing problems that threaten the health of America's children. DCA will continue to require recipients of federal HOME and CDBG funds that engage in rehabilitation activities to follow HUD regulations, which require the control of lead based paint hazards and safe work practices. DCA will also continue to serve on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state and federal agencies, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs. Lead Based Paint information is distributed to residents of public housing and landlords of the Section 8 program. Landlords are also required to sign a landlord certification responsibility form, which certifies that they will follow all equal opportunity requirements, screen families for criminal background and drug activity, and to perform necessary maintenance complying with Housing Quality Standards.

The Consolidated Plan partner agencies will facilitate ongoing communication through consultations and other meetings with Public Housing Authorities, in an effort to assess their needs and the needs of the clients they serve. Along with guidance from the U.S. Department of Housing and Urban Development, Georgia Department of Community Affairs plays a major role in certifying that future Public Housing Authority (for all PHA's serving non-Entitlement areas which are not covered by a local Consolidated Plan) five-year and annual Consolidated Plans are

consistent with the priorities and contents of any Consolidated Plan prepared pursuant to 24 CFR Part 91.

G. GEOGRAPHIC/ ALLOCATION PRIORITIES

The geographic area for allocating investment within the state is the entire State of Georgia. Because Georgia's priority needs are broadly distributed throughout the state, the allocating of funds is not generally based on geography alone. Each program has a unique method of geographic distribution. The State's CDBG, HOME, ESG, ADDI, and HOPWA programs are mostly competitive and all are demand-driven. The ultimate geographic distribution of assistance cannot be predicted. In general, the competitive allocation or "first-come, first-served" nature of the State's HOME and ADDI funded programs prohibits any geographic predetermination for the use of HOME funds. Consequently, local interest and initiative in developing and carrying out programs and projects generally controls the geographic distribution of the State's investments in housing and community development assistance. The State does not anticipate any funding set-asides for specific geographic areas of Georgia for EGSP and does not impose any geographic restrictions in the method of distribution for CDBG funded projects, however; HOPWA does have some geographic definitions. For HOPWA, absent extremely unusual circumstances, as determined by the Georgia Department of Community Affairs, funding will be limited to programs located within the State's 127-county HUD-defined entitled area. This area excludes counties with the 28-county Atlanta (Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pike, Rockdale, Spalding, Troup, and Walton) and the 4-county Augusta (Burke, Columbia, McDuffie, Richmond) entitlements. Therefore, the State does not develop allocation priorities on a geographic basis, nor does the state dedicate specific percentages or amounts of funding to particular targeted areas. In addition, these five formula programs are not specifically targeted to areas of minority concentration, but are distributed throughout the state's non-entitlement areas.

To ensure that the funds are geographically distributed across the state, preference points will be given to those projects located in the counties of greatest need and rural communities. Rural communities are at a disadvantage when they compete with urban communities for grants and/or loan programs because most rural communities lack grant-writing expertise and other planning resources. The problems they face are often different from those in urban communities. Therefore, DCA is committed to improve the quality of life for low-income Georgians in all parts of the State. DCA understands the rural community's challenges and will continue to offer resources and solutions to improve their outcomes and community needs.

H. GEORGIA'S PROPOSED DISTRIBUTION METHOD, GEOGRAPHIC ALLOCATION AND PROGRAM SPECIFIC FEDERAL REQUIREMENTS OF HOME FUNDS

The Georgia Housing and Finance Authority (GHFA) is the Participating Jurisdiction (PJ) and recipient of the State of Georgia's allocation of funds from the federal HOME Investment Partnerships (HOME) program. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this HOME allocation.

The State will receive \$21,686,923 in FFY2008 HOME funds to address its housing needs. The State will distribute its FFY2008 HOME Funding, State matching funds for SFY2009, and program income among the six programs described below:

- HOME Rental Housing Loan Program provides below market and favorable construction and permanent loan financing terms for the construction or rehabilitation of affordable rental housing. CHDOs may apply for assistance under this program.
- CHDO Predevelopment Loan Program provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing low to moderate income housing developments using DCA's HOME Rental Housing Loan, Georgia Dream Single Family Development Program or Permanent Supportive Housing programs.
- Georgia Dream Single Family Development Program provides gap financing to stimulate the expansion of affordable homeownership opportunities and the reinvestment in distressed neighborhoods. The program provides two forms of assistance: a home buyer subsidy and a development subsidy. The Home Buyer Subsidy is provided for down payment assistance in the form of a deferred payment second mortgage for eligible low-income home buyers. Loans must be used in conjunction with the State's Georgia Dream First Mortgage Program and do not have to be repaid until the property is sold, refinanced or no longer is used by the home buyer as their primary residence. The Development Subsidy is a grant to the Developer to cover the portion of the development cost that exceeds the appraised value of the property. This grant is only provided to the Developer after the unit has been sold to a qualified home buyer. CHDOs may apply for assistance under this program.
- Permanent Supportive Housing Program provides financial assistance to developers of permanent housing for eligible Homeless Tenants. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for targeted special need tenants. Supportive services must be provided that are applicable to the needs of the targeted special need population. CHDOs may apply for assistance under this program. To implement this program, the State will use HOME funds in conjunction with an allocation of monies from the State Housing Trust Fund for the Homeless.
- Georgia Dream Second Mortgage Program offers a deferred payment second mortgage of \$5,000 for down payment, closing costs, prepaid expenses and principal reduction for low to moderate-income home buyers. Furthermore,

the State offers an enhanced amount of financial assistance beyond the \$5,000 that is available to traditional Georgia Dream borrowers. One of these options, Signature Community, is designed to assist employees of a local government that has been designated by DCA as a Signature Community. The Signature Community option loan amount is \$7,500. The next option, HONORS, is for widows or widowers of service men and women or protectors, including law enforcement and fire and emergency services personnel who was killed while on active duty or in the line of duty. The HONORS option loan amount is \$10,000. A third initiative, Rural Development is for low-income home buyers receiving first mortgage loans through the USDA-Rural Development Direct 502 Loan program. A fourth option, CHOICE (Consumer Home Ownership of Independence, Choices and Empowerment), is for qualified individuals with disabilities and/or households with members who have a disability that, because of income considerations alone, cannot afford to purchase a home. The CHOICE option loan amount ranges from \$7,500 to \$20,000 based on the household annual income and the location of the home. A fifth option, EV (Efficient or Visitable), encourages the construction of homes that are energy efficient as well as homes that are visitable by individuals with mobility impairments. The loans must be secured by properties built by builders certified under the ENERGY STAR[®] Homes, EasyLiving Home^s or the EarthCraft Homes[™] programs. A fifth option, EV (Efficient or Visitable), encourages the construction of homes that are energy efficient as well as homes that are visitable by individuals with mobility impairments. These homes being purchased, must meet the requirements of the ENERGY STAR[®] Homes, EasyLiving Home^s or the EarthCraft Homes[™] programs. The EV option loan amount is \$7,500. The sixth option is PEN, which is designed to assist Georgia's heroes, who help others in times of need. This program is available to those employed in career fields of Protection, Education and Nurses/Health Care Workers. The "protectors" program category includes police department, sheriff's office, corrections or other law enforcement agency; local, state or federal fire department; and active duty military personnel of the U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard, the Army National Guard, and/or the Air National Guard. The PEN option loan amount is \$7,500. A seventh option, Welcome Home provides financing to the brave service people who were called to duty to serve our country in the global war on terrorism. The Welcome Home option loan amount is \$10,000. The last option is Homeownership Voucher, formerly known as the HOME At Last (HAL), which provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, wherein the head of household, spouse or dependent is disabled or the head of household is participating in the Family Self Sufficiency Program. This initiative enables a household to purchase a home utilizing the Housing Choice Voucher Program Housing Assistance Payment (HAP) as income for qualifying for a mortgage loan.

- Community HOME Investment Program (CHIP) provides funds for local governments to implement down payment assistance, single family

construction, single family rehabilitation activities and rental development or rental rehabilitation activities. HOME funds may be used in conjunction with State CDBG resources that are available jointly through a single application process.

The State anticipates that sufficient funds from an existing allocation are projected to be available to fund activities under the two below programs:

- Rental Housing Preservation Loan Program provides below market and favorable construction and permanent loan financing terms for the rehabilitation of existing affordable rental housing developments. CHDOs may apply for assistance under this program.
- CHDO Operating Assistance Program (COAP) provides qualified State designated CHDOs with funding to maintain their operations and to develop their capacity to implement future HOME-funded CHDO activities.

DISTRIBUTION METHOD

General

The State anticipates that approximately 48% of its FFY2008 HOME allocation will be made available on a competitive basis in the form of grants, interest bearing or non-interest bearing loans or advances, equity investments, interest subsidies or deferred payment loans. An estimated 42% of the FFY2008 HOME allocation will be available on a first-come, first-served basis. The remaining 10% will be reserved for program administrative costs. Refinancing is not an eligible activity under any of its federally funded HOME programs. A summary of the FFY2008 HOME distribution method is provided in Table 1 below.

Table 1: Anticipated Distribution Method of HOME Funding

Proposed Distribution Method	Percentage Available
Available Competitively	42%
Available First-Come, First-Served	48%
Program Administration	10%

SOURCE: DCA.

DCA intends to distribute its allocation of FFY2008 HOME funds by activity as shown in Table 2.

Table 2: Distribution of FFY2008 HOME Funds by Activity

<u>Activity</u>	<u>Allocation</u>
Downpayment & Principal Reduction to First Time Home Buyers	\$1,111,774

Local Governments for HOME – Eligible Activities Except TBRA	\$2,948,497
Predevelopment Loans to CHDOs	\$58,672
Development of Homes for Sale to Low/Moderate Income Home Buyers	\$884,549
Development and preservation of rental housing for families, elderly, special needs, and homeless	\$14,514,739
Administration - DCA	\$2,021,267
Administration – Local Governments	\$147,425
Total FFY2008 HOME Allocation	\$21,686,923

*Program will be funded using an allocation of funds from prior funding years.

As shown in Table 3, DCA plans to combine these funding amounts with State HOME monies and program income projected to be received from loan repayments during SFY2009. These amounts will be added to the federal allocations to derive the amount allocated to each activity. DCA reserves the right to amend its Action Plan in accordance with the Consolidated Plan rule at 91.505 and 91.115(c)(1), as production demand warrants or to facilitate the use of program income during the course of the program year. Any reallocations will be done in accordance with DCA policy, including the State’s Citizen Participation Plan. DCA will give reasonable notice of and an opportunity to comment on substantial amendments.

Table 3: Total HOME Allocation by Activity

	SFY2009					
Activity	Projected Remaining funds 06/30/08	Federal	State	ADDI	Program Income	Total SFY2009 Funds
Downpayment/Principal Reduction Second Mortgage Assistance	\$0	\$1,111,774	\$3,287,493	\$145,606	\$1,200,000	\$5,744,873
Local Govts for HOME eligible activities	\$1,045,776	\$2,948,497	\$0	\$0	\$0	\$3,994,273
Predevelopment Loans to CHDOs	\$90,000	\$58,672	\$0	\$0	\$0	\$148,672
Development of homes for sale to LMI Buyers	\$0	\$884,549	\$0	\$0	\$0	\$884,549
Operating Assistance to CHDOs	\$120,000	\$0	\$0	\$0	\$0	\$120,000
Development or preservation of rental housing for families, elderly, special needs and homeless/special needs	\$0	\$14,514,739	\$0	\$0	\$3,609,791	\$18,124,530
Administration - DCA	\$0	\$2,021,267	\$0	\$0	\$0	\$2,021,267
Administration – Local Govts	\$34,779	\$147,425	\$0	\$0	\$0	\$182,204
Total	\$1,290,555	\$21,686,923	\$3,287,493	\$145,606	\$4,809,791	\$31,220,368

Using the allocations identified for each activity plus additional funds projected to remain from prior year's allocation of funds, DCA will implement eight programs. Remaining funds from prior years' allocation are available to use in accordance with DCA policy. DCA will give reasonable notice of and an opportunity to comment on substantial amendments, if warranted. DCA cannot predetermine the amount of funds but has remaining funds available are detailed below as of March 2008.

Preservation Program – FFY 2007
 CHDO Assistance FFY 2002- FFY 2007

Table 3a matches each Activity with the corresponding program(s).

Table 3a: HOME Allocation Activity to Program

<u>Activity</u>	<u>Program</u>
Downpayment/Principal Reduction Second Mortgage Assistance	Georgia Dream Second Mortgage
Local Governments for HOME eligible activities except TBRA	CHIP
Predevelopment Loans to CHDOs	CHDO Predevelopment Loan
Development of Homes for Sale to Low/Moderate Home Buyers	Georgia Dream Single Family Development
Operating Assistance for CHDOs	CHDO Operating Assistance Program
Development or preservation of rental housing for families, elderly, special needs and homeless	HOME Rental Housing Loan, Rental Housing Preservation Loan, Permanent Supportive Housing
Administration - DCA	Administration - DCA
Administration - Local Governments	Administration - CHIP

The State of Georgia follows applicable citizen participation requirements specified in the regulations for the Consolidated Plan, which was issued January 5, 1995. A formal, written Citizen Participation Plan (CPP) became effective July 1, 1996, and was amended on November 15, 2000. The CPP contains the required elements listed in Regulations 24 CFR 91.105.

Any individual transfer of money between activities of more than 10% of the total allocation will be considered to constitute an Amendment and an individual transfer of money between activities of 50% or greater will be considered a Substantial Amendment. DCA will follow the policies and procedures established within the Citizen Participation Plan when a Substantial Amendment occurs. Substantial Amendments to the Consolidated Plan require public notice and the opportunity for citizen participation. A Substantial Amendment is defined in Section IV of the Citizen Participation Plan and is a major change in an approved strategy. It involves a change to the five-year strategy, which may be caused by a decision to undertake programs or activities inconsistent with that strategy. Citizens will have the opportunity to comment on substantial amendments to the Plan before they are officially adopted. Notice of the availability of substantial amendments will be provided on DCA's website and by posting at DCA's offices. Citizens will have at least (30) days in which to examine the amendments and provide comments before they are officially adopted. DCA will consider any comments received regarding the amendments. A summary of these comments or views will be attached to the amendments.

DCA will perform continuous financial review of each activity to ensure funding amounts are allocated to each activity to carry out the activity. DCA expects to receive Program Income on an on-going basis from previous funding years' program activities and will fund project draws using Program Income received during the program year. Projects may be funded over a course of several program years due to

the 12-18 months required for projects construction and lease-up. As a result, a project awarded funds during this program year will likely utilize Program Income generated in SFY2008 and beyond. DCA will reuse this Program Income by helping low-to moderate income persons with decent, safe and affordable housing.

Application Processes

DCA will directly administer the Georgia Dream Second Mortgage Program including the enhanced financial options of CHOICE, Efficient or VISIBLE, Signature Community, HONORS, Homeownership Voucher, Welcome Home, and PEN through a statewide network of participating lenders. DCA, through USDA-RD, will administer the Rural Development option of the Georgia Dream Second Mortgage program. Applications will be reviewed following standard underwriting criteria, with DCA's applicable compliance guidelines and funded on a first-come, first-served basis based on criteria established for each set-aside.

DCA will also directly administer its HOME Rental Housing Loan Program. All complete applications will be evaluated and competitively ranked according to criteria outlined in the State's Qualified Allocation Plan.

DCA will invite application to the Permanent Supportive Housing, CHDO Operating Assistance, Rental Housing Preservation Loan, and CHDO Predevelopment Loan programs through a Notice of Funding Availability. DCA will evaluate applications to these programs on a first come, first served basis using criteria established in the applicable program description and accompanying program manual.

DCA will invite application to the Georgia Dream Single Family Development Program through a Notice of Funding Availability. Applications will be reviewed in accordance with threshold requirements and financial feasibility of the project as described in the core application checklist. Funding decisions will be made on a first come, first served basis according to the submission of a complete application package. Applications from GA Dream Habitat Affiliates will be accepted in two phases. Phase (A) will be solely for the purpose of qualifying the actual Habitat Affiliate, and Phase (B) determines where they will build and who the next qualified Home Buyer. Nonprofit and for-profit housing developers and/or local public housing authorities may apply for financing to assist with the construction and sale of single family housing. These resources are offered as gap financing in the form of a Home Buyer Subsidy and/or a Development Subsidy. Applicants are required to obtain construction term financing from another lending source.

HOME resources allocated to CHIP will be available from the State to eligible local governments through a single application process with CDBG funds. Successful applicants will administer HOME funds within their community on behalf of the State according to applicable federal and State program guidelines.

General Application Guidelines

Every application must meet certain minimum program requirements as outlined below to be considered for funding:

- All applications must be eligible entities;
- All activities undertaken with HOME funds must be eligible;
- The minimum amount of HOME funds that can be invested in a project involving rental housing or homeownership is \$1,000 per unit;
- The minimum amount of HOME funds that can be invested in a project involving tenant assistance is an average of \$1,000 per household per funding year;
- The proposed project must be economically feasible;
- The maximum award per project varies by program, ranging between \$5,000 and \$4 million;
- All proposals must meet all HUD regulations for the HOME program as published in the Federal Register under 24 CFR Part 92 as amended;
- Local governments and counties applying for HOME funding must demonstrate maintenance of their level of commitment to housing with other programs. A proposed budget that indicates a level of funding consistent with assistance provided to housing over the last three years will be considered evidence of maintenance of effort; and,
- New construction must meet all applicable HUD standards.

Within each of the State's HOME funded programs, every application must follow established, program-specific application guidelines to be considered for funding.

HOME Rental Housing Loan Program

This project financing resource will be distributed through a competitive selection process and evaluated based on standards established by the State's approved Qualified Allocation Plan (QAP).

DCA will make the QAP, the associated application manual, and the electronic application available on its web site. DCA will notify all contacts on its mailing list of its release in January. Applications will be evaluated and scored based on the criteria established in the QAP. A copy of the QAP is provided in Appendix E to this Action Plan. Section 15 of the QAP describes the process to evaluate applications.

Rental Housing Preservation Loan Program

This project financing resource administered by DCA will be distributed through a Notice of Funding Availability. Applications will be evaluated based on criteria established in the program description. Only applications that meet minimum threshold requirements and are economically feasible in the proposed market will be funded. DCA will accept applications that meet the program requirements on a first come first serve basis until all available funding is exhausted. All funding decisions will be made at DCA's sole and absolute discretion. Additionally, the minimum

amount of HOME funds that can be invested in a project is \$10,000 per unit and the maximum award is \$1,000,000.

DCA will make available on its web site the Notice of Funding Availability, the associated application manual, and the electronic application. DCA will notify all contacts on its mailing list of the release of the NOFA. Applications will be evaluated based on the criteria established in the NOFA.

CHDO Predevelopment Loan Program

DCA will solicit applications to the CHDO Predevelopment Loan Program (CPLP) by means of a Notice of Funding Availability published on its web site and mailed to previous participants and other interested parties. Funds may be used to finance predevelopment activities incurred up to the closing of the HOME Rental Housing or Permanent Supportive Housing loan or the award of funding under the Georgia Dream Single Family Development Program. Eligible activities include, but are not limited to, market study, title search, environmental review, and appraisals. Loans of up to \$30,000 will be interest-free for a maximum term of 24 months. If the subsequent financing application to the HOME Rental Housing Loan or Permanent Supportive Housing programs is approved, the predevelopment loan will be rolled into the project's construction financing. CPLP loans made for approved applications to the Georgia Dream Single Family Development program will be repaid from proceeds made from the sale of each unit to an eligible home buyer. If the proposed developments are determined to be infeasible or it is determined that there are impediments to the project development that are reasonable and beyond the control of the CHDO, then the loan repayment may be forgiven.

CHDO Operating Assistance Program (COAP)

DCA will utilize funding from prior HOME allocations to provide operating assistance to CHDOs. As part of the application process, a CHDO must complete the Capacity Assessment Tool (CAT) to identify required improvement areas for the CHDO to support a sustainable organization capable of future housing development activities. Up to \$45,000 in COAP funds may be used for eligible operating expenses supported by the conclusions and evaluations of the CAT. To participate in this program, the organization must be certified by the State as a CHDO. In addition, the CHDO must have closed a DCA HOME loan that has not yet converted to a permanent loan or been awarded a Single Family Development project and sold at least 50% of the units. Applications will be accepted on a first come, first served basis until all the funds are committed or DCA suspends acceptance of future applications.

Georgia Dream Single Family Development Program

DCA will solicit applications to the Georgia Dream Single Family Development Program (SFDP) initially by means of a Notice of Funding Availability (NOFA) that will be made available on DCA's web site. DCA will accept applications on a continuous basis and applications will be evaluated as they are received. Funding

decisions will be made on a first come, first served basis according to the submission of a complete application package. DCA will make funding notifications to applicants within forty-five (45) days of the application submission date. DCA will make funding decisions at DCA's sole and absolute discretion. Sites zoned for single family residences which are newly constructed, reconstructed or rehabilitated and which will serve as the principle residence of the prospective low-moderate income homeowner are eligible. Eligible sites must meet subdivision/infill design and services/facilities threshold standards. DCA will only accept applications that consist of four units or less. Any future applications will not be accepted on contiguous sites when the combined unit count is five (5) or more units. Projects proposed must not be located within a local participating jurisdiction which receives HOME funds directly from HUD. The program provides gap financing in the form of a Development Subsidy and a Home Buyer Subsidy.

Development Subsidy: A Development Subsidy is the difference between the total project cost per unit and the higher of the per unit net sales price, at the time of application. The maximum amount of development subsidy an Applicant may receive is \$20,000 ("Development Subsidy Cap") for a qualified unit upon its purchase by a qualified home buyer. The Development Subsidy is made available to the Applicant as a grant. This subsidy will not be applicable for Georgia Dream Habitat Affiliates.

Home Buyer Subsidy: A Home Buyer Subsidy is the amount of funds needed to ensure that a family of four individuals earning 65% of Area Median Income (AMI) pays no more than 25% of their income towards their housing costs. The maximum amount of homebuyer subsidy per unit is \$20,000 ("Home Buyer Subsidy Cap") and the minimum amount is \$7,500. The Home Buyer Subsidy is made available to the purchaser of the unit as a 0% interest, deferred payment loan. All projects receiving a Development Subsidy must receive at least the minimum Home Buyer Subsidy. These subsidy limits may be increased by \$2,000 if the unit is built to "Easy Living" Standards, "Energy Star" or in a DCA targeted area.

Special Set-aside for Habitat for Humanity Affiliates

DCA will set aside a portion of its Georgia Dream Single Family Development Program allocation for Habitat for Humanity Affiliates that develop newly constructed housing for those families earning less than 50% of the county AMI adjusted for family size. DCA is unable to readily reach this income group with its established program. Habitat Affiliates have development expertise, construction management experience, mortgage capability, and housing counseling capacity.

Habitat for Humanity Affiliates applying through this set aside will be eligible to receive a standard \$20,000 Home Buyer Subsidy for each unit that meets the program's threshold requirements. The Affiliates will not be eligible for any Development Subsidy amounts.

Housing developed under this set aside will carry a Georgia Dream first mortgage originated through one of DCA's Participating Lenders, a \$20,000 down payment

assistance deferred payment loan Home Buyer Subsidy, and a Habitat Affiliate third mortgage to make up the amount of the property's appraised value.

Eligible location: Projects proposed by Habitat Affiliates may be located throughout the State of Georgia.

Boost to Subsidy Caps: Habitat for Humanity Affiliates are not eligible for any boost to the subsidy amount.

The following thresholds criteria are not applicable to Habitat Affiliates:

- Appraisal
- Construction and construction cost
- Construction Loan(s) Commitment
- Easy Living Standard
- Energy Efficiency/design requirement
- Energy Star Program

Application Deadline: Applications from GA Dream Habitat Affiliates will be accepted in two phases. Phase (A) will be solely for qualifying the actual Habitat Affiliate, making sure all documents related to the organization has been submitted and that they meet threshold requirements. Initiating Phase (A) of the application process can be done at any time; this is a one-time step during each program year. A letter of acceptance of the organization will be sent to the Habitat Affiliate once this phase is complete. Once the Affiliate has determined where they will build and who the next qualified Home Buyer will be, Phase (B) commences and the Affiliate must submit the necessary documents required to qualify the unit. The application fee should be submitted at the beginning of Phase (B)

Permanent Supportive Housing Program

DCA will solicit applications to the Permanent Supportive Housing Program initially by means of a Notice of Funding Availability (NOFA) that will be posted on the DCA website.

Applications are accepted on a continuous basis and will be evaluated as they are received in accordance with DCA's Funding Reservation and Preliminary Commitment of Funds policy for PSHP projects. Funding decisions will generally be made on a first come, first served basis and evaluated in accordance with applicable minimum threshold requirements and policies described in the NOFA and the DCA Application Manual, including but not limited to market and financial feasibility, income and rent restrictions, site and location characteristics, proposed development characteristics, and compliance history. The rental and operating subsidies need not be in place at the time of application, but must be in place within ninety (90) days of application submission to DCA. Documentation that the rental and operating subsidies have been secured or have been applied for must be submitted with the application. DCA reserves the right to negotiate with applicants over these thresholds

and program criteria. Loan commitments will only be made upon the endorsement of a loan application by DCA in its sole and absolute discretion.

Georgia Dream Second Mortgage Program including the HONORS, CHOICE, Efficient or Visitable, Welcome Home, Signature Community, and PEN options

A first-time home buyer must apply for any of these deferred payment options through one of DCA's participating lenders located across Georgia. A borrower must have a sales contract to purchase a home before the application can be made. However, a borrower is encouraged to contact a participating lender prior to signing a sales contract to review the borrower's credit history and to determine an affordable home price range. Once received, the participating lender and DCA will review the application according to lending industry standards and DCA guidelines established for each funding type.

All borrowers are required to receive home buyer education prior to loan closing from one of the nonprofit housing counseling agencies to which DCA provides financial support or from another nonprofit or for-profit source meeting DCA's home buyer education requirements.

Georgia Dream Second Mortgage Program - Rural Development option

First-time home buyers may apply for the Rural Development option of the Georgia Dream Second Mortgage loan through the application process for a USDA-RD Rural Direct 502 Loan. Once received, the USDA-RD and DCA will review the Rural Development Georgia Dream Second Mortgage application according to USDA-RD and DCA standards. All Rural Development option borrowers receive home buyer counseling prior to loan closing from USDA-RD.

Georgia Dream Second Mortgage Program - Homeownership Voucher option

DCA will solicit applications to the Homeownership Voucher by sending an announcement to eligible families identified by DCA's Housing Choice Voucher Rental Assistance program. Eligible households seeking homeownership assistance will be asked to complete a statement of interest and return it to DCA by a specific deadline.

Community HOME Investment Program (CHIP)

Local governments seeking HOME funding assistance through CHIP must apply directly to DCA in conjunction with the annual application process for CDBG funds available to the State's non-entitlement communities. Only general purpose local governments not designated as a participating jurisdiction by HUD are eligible to apply for assistance. Applicants are evaluated based on the Rating and Ranking Criteria as outlined in the CDBG and CHIP application manual.

CHIP makes federal HOME funds available to local governments for any eligible housing activities designed to benefit low income households for approved HOME

eligible activities except tenant-based rental assistance. Local governments participating in the CHIP program are referred to in the HOME regulations as “State Recipients.” CHIP funds may also be used in conjunction with State CDBG resources that are available jointly through a single application process. Eligible activities include acquisition (with or without rehabilitation) including assistance to home buyers, new construction, reconstruction and rehabilitation. Eligible costs include real property acquisition, site improvements, conversion, demolition and other expenses including financing costs and relocation expenses of any displaced persons, families, businesses or organizations. Except for the special CHIP Revitalization set-aside described below, eligible costs also include the payment of reasonable administrative costs. Eligible activities must be in keeping with the eligible activities as set forth in the HOME federal regulations at 24 CFR 92.205 except that DCA does not provide tenant based rental assistance under the CHIP program. Eligible costs must be in keeping with 24 CFR 92.206 and 24 CFR 92.207. All activities under the CHIP program must result in the production of units or the rehabilitation of units that are occupied by eligible low income households. Funds awarded to a local government can not exceed \$300,000.

CHIP Special Set-aside for Designated Revitalization Areas

Over time, DCA has received deobligated CHIP funds from grants that closed without using all available funds. In most cases, these funds were returned to DCA from non-administrative activity line items. Due to restrictions in the amount of administrative funds available under the HOME program, these returned funds may only be “re-granted” to State Recipients without administrative funds attached. To date, DCA has approximately \$1.2 million in funds available from previous funding years that may only be used for direct activities, excluding all general administrative funds.

It is DCA’s intent to spend these additional funds as quickly as possible using the FFY2008 CHIP competition as a vehicle to make the best use of this resource. Because DCA has emphasized in the last several years the importance of focusing resources on areas of significant poverty and has provided additional 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, DCA will provide an additional opportunity to those communities that have earned DCA’s Revitalization Area Strategy designation or have an approved HUD Revitalization Area. This opportunity will allow all DCA-Designated Revitalization Area Communities and all HUD-Approved Revitalization Area communities otherwise eligible for CHIP funding during the FFY2008 competition to apply for additional CHIP funds.

DCA will also allow HUD CDBG entitlements who are not a HUD-designated PJ’s (and thus eligible to apply for CHIP) to also apply for DCA-Designated Revitalization Area Strategy status and therefore be eligible to apply for those bonus points and possible receive additional funding under the set-aside.

Funds Available

As mentioned above, approximately \$1.2 million from previous funding years is currently available in CHIP dollars that does not include general administrative funds. DCA reserves the right to add additional CHIP dollars from the new allocation of FFY2008 CHIP Annual Competition dollars to the CHIP Revitalization Area Set-Aside.

Maximum Grant Amounts Available

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.

Eligible Applicants

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.

Special Note on Administration Cost:

Because the source of CHIP funds for the set-aside for Revitalization Areas are returned deobligated CHIP/HOME, funds, administration costs are not eligible but Project Delivery Fees are eligible.

CHIP Special Set-aside for Disaster-Related Projects

Since March 3, 2007, Georgia has been affected by two natural disasters—one in Southwest Georgia due to tornado activity (Presidential Disaster declared on March 5, 2007) and one in Southeast Georgia due to wild fires (Georgia State of Emergency declared on May 2, 2007). Because of these natural disasters, DCA wishes to maintain flexibility in responding to local governments' community development needs in the areas affected. In order to be responsive, DCA will add resources as they become available to this set-aside. If resources are not needed within a reasonable period, funds will be returned to either the CHIP program or the Set-aside for Designated Revitalization Areas.

Funds Available

At this time, the amount of funds that can be dedicated to this set-aside is uncertain, as is the scope of the natural disasters, one of which is still unfolding. Funds for this set-aside will come from one or more of the following sources: funds for the CHIP FY2008 competition, the Set-Aside for Designated Revitalization Areas, grant deobligations, or other HOME funds. It is not the intent of this set-aside to diminish the resources of the preceding programs or to alter their operation. Resources however may become available due to less-than-normal competition, ineligible requests or grant deobligations from earlier program years.

Maximum Grant Amounts Available

The maximum grant amount available under the Set-Aside for Disaster-Related Projects is \$200,000 unless increased by the commissioner of community affairs due to special circumstances related to need. An applicant applying for this set-aside will remain eligible for all other funding sources available through the HOME program.

Eligible Applicants

Any eligible CHIP applicant included in the counties listed on the initial or updated disaster declarations listed herein.

Eligible Project

Any eligible CHIP activity provided the community development need to be addressed resulted from the foregoing disasters.

Application Process

DCA will promulgate application procedures at the appropriate time. All program policies will be followed unless specified otherwise herein.

HOME and CHDOs

A Community Housing Development Organization (CHDO) is a nonprofit housing development organization that meets the definition outlined in Section 92.2 of the Final HOME Rule. A minimum of 15% of the State's HOME funds are reserved to fund housing projects proposed by organizations that meet the CHDO definition.

During each calendar year, the State issues qualification applications to all nonprofit organizations that have expressed an interest in applying for CHDO status. Additionally, the state coordinates with HUD technical assistance providers, the Housing Assistance Council and the Enterprise Foundation, to ensure that these groups contacted Georgia's pre-qualified CHDOs to discuss available technical assistance opportunities. Interested organizations must meet the following requirements to become a CHDO:

Federal CHDO Requirements

- 1) Organized under state/local law
- 2) Purpose of organization must include affordable housing
- 3) No individual benefit
- 4) Clearly defined service area
- 5) IRS nonprofit status
- 6) Low income representation on board
- 7) No more than one third are public employees
- 8) Low income input into the design, setting and location of low income housing projects
- 9) Public bodies or public instrumentalities are prohibited

- 10) Paid professional staff or demonstrated staff capacity
- 11) Relationship with for-profit entities as sponsors or having control is limited
- 12) Financial accountability standards
- 13) One year experience.

State CHDO Requirements:

In-State Nonprofits:

- 1) Financial viability of the nonprofit based on a review of audited financial statements to ensure viability and capability of performing housing development functions.
- 2) CHDO's are allowed to have as their service area up to 1/3 of the State's counties.

Out-of-State Nonprofits:

In addition to the requirements for in-state nonprofits, an out-of-state nonprofit must also have:

- 1) An office in Georgia
- 2) Paid staff located in Georgia, and
- 3) A board comprised of no less than 51% Georgia residents.

Once DCA has reviewed the applications and determined that all federal and state requirements have been met, a letter is issued confirming CHDO status. The pre-certification process only occurs if nonprofits are interested in participating in any of the State's programs for CHDOs. An organization must complete the CHDO qualification process prior to making application to these programs. As of February 1, 2008, the State has prequalified 27 nonprofits as CHDOs.

During SFY2009, the State will make funds available to CHDOs to develop and manage decent, affordable low-income housing. Funds will be made available to CHDOs for three purposes:

- 1) Construction and permanent financing for the construction or rehabilitation of rental housing that is located in any jurisdiction across Georgia through the HOME Rental Housing Loan, Rental Housing Preservation Loan, and Permanent Supportive Housing programs.
- 2) Interest-free predevelopment loans for the preparation of complete and comprehensive applications for financing low to moderate income housing developments using DCA's HOME Rental Housing Loan, Georgia Dream Single Family Development or Permanent Supportive Housing programs.
- 3) Home Buyer and Developer Subsidies made available through the Georgia Dream Single Family Development Program.

Matching Requirements for the HOME Program

The HOME program requires that the State contribute to affordable housing, which totals at least 25% of the HOME funds drawn down within a fiscal year. The State will utilize funds appropriated by the State General Assembly, the proceeds of mortgage revenue bonds issued by GHFA, and the Georgia Housing Tax Credit to meet the State's HOME program match requirements. Other forms of match will be contributed as available on a project by project basis.

A portion of the monies from the State General Assembly will be loaned to applicants in accordance with HOME program guidelines and the repayments of these dollars will be used as HOME funds.

Geographic Allocation of HOME Funds

In general, the competitive allocation or "first-come, first-served" nature of the State's HOME funded programs prohibits any geographic predetermination for the use of HOME funds. As reported in its HOME Annual Performance Report for SFY2007 (July 1, 2006 through June 30, 2007), the State spent a majority of its funds in urban counties. Slightly over \$13 million (51%) in HOME funds were spent on affordable housing located in urban areas; while \$12.5 million (49%) of its funds were used in rural areas. However, the report also noted that 846 units (58%) were created in urban areas, while 618 units (42%) were located in rural communities.

To help increase the expenditure of HOME funds in the State's rural counties, the following policies will be implemented during SFY2009:

- The State will continue implementation of its Rural Development option of the Georgia Dream Second Mortgage program to offer deferred payment second mortgages to cover down payment, closing cost and prepaid expenses for low income home buyers receiving first mortgages through the USDA-Rural Development Direct 502 Loan program.
- The State will continue its expanded homeownership marketing efforts in rural areas utilizing five full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. Four of the five marketing staff members spend the majority of their time working outside of metropolitan Atlanta.
- The interest rate of the Home Buyer Program loan used in conjunction with Georgia Dream Second Mortgage loan is typically lower for homes located in mostly rural, targeted areas of Georgia.
- The Community Housing Initiative will continue to coordinate linkages between DCA, local private lenders, local governments, developers, and builders in order to address work-force housing related needs of the particular community.
- The State will continue implementation of its HUD-funded Housing Counseling program that is designed to educate potential home buyers on the home buying process. Administered through nineteen housing counseling agencies including six regional Consumer Credit Counseling Services (CCCS) and twenty-five nonprofit agencies across Georgia, this program provides individualized pre-purchase housing counseling and post-purchase

follow-up services respectively to potential or recent home buyers. Using State funds and administered through a network of nonprofit providers, the State also offers Consumer Education Seminars in a group settings that are geared to promoting a general awareness of the advantages and responsibilities of homeownership. Graduates of the course receive a certificate that satisfies the homebuyer-counseling requirement for Fannie Mae, Freddie Mac and GHFA.

- The State will continue to work with USDA Rural Development to coordinate and to implement programs that serve rural Georgia. The use of Automated Underwriting enables small banks in rural areas to participate. The State will also develop linkages with outsourcing companies that the smaller banks can utilize in the processing of loans.
- DCA will continue to host a biennial event Celebrating Rural Georgia (CRG). The event is a unique collaboration of public and private organizations committed on a biennial basis. Our partners include state agencies, colleges from throughout Georgia's university system, nonprofit community groups, city and county organizations, environmental advocates, economic development organizations, agricultural support groups and many others. The Georgia Rural Development Council provides staff support to assist CRG partners in their efforts to celebrate and share rural success stories, best practices and resources. The next planned event will be held in late 2008.
- The Georgia Initiative for Community Housing, a joint program of DCA, the Georgia Municipal Association, and the University of Georgia's Housing and Demographics Research Center provides a series of facilitated retreats and direct technical assistance to selected communities over a three-year period as the communities develops and implements affordable housing strategies. During SFY2008, five communities: Calhoun, Cordele, Douglas, Griffin and Toccoa were selected to participate in the three-year program. This group of communities joins the 2006 and 2007 communities of Camden County, Colquitt, Dalton/Whitfield, Hall County, Metter, Milledgeville, Moultrie, Newnan, Tifton, and Waynesboro. Additional communities will be selected in SFY2009.
- Continuing DCA's sponsorship with Georgia Department of Economic Development, a Regional Advisory Council (RAC) Summit by continuing future RAC focus areas to include Safe and Affordable Housing, Sustaining Existing Businesses, Help for Entrepreneurs, Local Government Assistance, Heritage Tourism and Community and Economic Development.
- To enhance the competitiveness of rural applications, the 2008 QAP provides four points in the scoring allocation to projects that have 75 units or less and are located in rural areas as defined by the QAP. The 2008 QAP provides that 30% of the available 9% credits will be set-aside for applicants proposing housing developments in rural areas. Applicants funded under the rural set-aside will receive preference in the allocations of loans.
- Projects eligible for HOME funding under the HOME Rental Housing Loan Program is limited to projects located outside of a boundary of a local participating jurisdiction, unless the project applicant is a CHDO.

- DCA will continue to support financial literacy through Money Smart Financial literacy curriculum, a training program to help adults outside the financial mainstream enhance their money skills to increase fair housing and homeownership.
- DCA will continue implementing the Communities of Opportunity (Co-Op) Initiative, announced through an Executive Order by Governor Sonny Perdue. DCA worked closely with the Governor's Rural Development Council, UGA Fanning Institute and a number of public and private partners to conduct extensive surveys to capture up-to-date comments from citizens and business owners and to solicit their involvement and expertise in eleven counties, including Burke, Glascock, Hancock, Jefferson, Jenkins, Lincoln, McDuffie, Taliaferro, Warren, Washington and Wilkes. DCA. The survey data confirmed: (1) a widespread awareness of the communities' limited economic vitality - both short and long term, and (2) the interest and commitment of citizens and business owners to work together to improve the community's quality of life.
- DCA will continue their partnership with South West Georgia Housing Task Force providing assistance implementing their regional strategies.
- DCA will continue their collaboration with TechSmart Digital Development from Georgia Tech's Enterprise Institute providing free workshops to answer questions and providing information on how communities could benefit from the financing program "Broadband Rural Initiative." This financing program provides grants for publicly owned infrastructure that brings high-speed broadband connectivity to rural Georgia. The BRIDGE fund grants \$200,000 for single county projects and \$400,000 for projects affecting two counties.
- DCA will continue its partnership with Rural Development Centers to provide fair housing material to local governments in the comprehensive planning workshops.

Program Specific Requirements

Guidelines for Recapture of HOME Funds Used for Home Buyers under the Georgia Dream Second Mortgage Program including the Signature Community, EV, PEN, CHOICE, HONORS, Welcome Home and Homeownership Voucher options:

As previously discussed, the State proposes to operate a second mortgage program with several enhancement options designed to assist first-time home buyer program using HOME funds: HONORS, Signature Community, EV, PEN, CHOICE, Welcome Home, and the Homeownership Voucher, collectively referred to in this section as the "HOME Loan." Each program will provide assistance to moderate and low income families and individuals who are first-time home buyers, for principal reduction and to cover the down payment, closing costs and prepaid expenses associated with their home purchase.

The Period of Affordability for all the HOME Loans under \$15,000 is six years and 11 years for all HOME Loans \$15,000 or higher. If a home with a HOME Loan is sold within nine years of the loan closing, the borrower is subject to possible

recapture tax and must report it on their annual tax return using IRS Form 8828, "Recapture of Federal Mortgage Subsidy." The HOME investment that is subject to recapture is based on the amount of HOME assistance that enables the homebuyer to buy the dwelling unit.

DCA will follow the guidelines indicated below for all HOME Loans both during and after the affordability period associated with the HOME assistance:

Sale, Transfer or Foreclosure:

In the event the borrower sells or transfers the mortgaged property or if the mortgaged property is foreclosed upon, and after the first lien holder (and any other higher priority liens) is satisfied, DCA will employ the shared net proceeds option in accordance with 24 CFR Part 92.254(a)(5)(ii)(A) and will accept the remaining funds available based on the Settlement Statement as the net proceeds of the sale and as the amount of HOME funds subject to recapture as provided in 24 CFR Part 92.254(a)(5)(ii)(A)(3). DCA will write-off the remaining balance. DCA will satisfy the security deed and will not pursue any further collection efforts.

Assumption of the First Mortgage:

DCA will allow an assumption of the HOME Loan by an income eligible borrower who is assuming the first mortgage. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of underwriting an assumption.

Subordination of the HOME Loan:

Under specific conditions, DCA will agree to subordinate the HOME Loan to a refinanced first mortgage or a home equity loan. The total debt outstanding, considering the new loan and the existing HOME Loan may not exceed 100% of the current appraised value.

In order to determine the amount of the home equity loan or the new first mortgage, DCA will review the HUD-1 Settlement Statement or other documentation DCA determines is appropriate. An appraisal performed within the previous 60 days and used to determine the market value of the property for the new loan must also be included with the loan documentation for our review. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of the subordination.

Guidelines for Recapture of HOME Funds Used for the Georgia Dream Single Family Development Program

The Period of Affordability for the Georgia Dream Single Family Development Program assisted units is 11 years. The period of affordability must be guaranteed in the terms of the home buyer's loan through a deed restriction. The period of affordability can only begin once the property is sold to an eligible low to moderate-income home buyer. This period of affordability must be enforced based on

recapture restrictions and these provisions will be incorporated into the terms of the Home Buyer Subsidy received by the home buyer. DCA will follow the recapture guidelines for HOME Loans indicated above both during and after the affordability period associated with the HOME assistance.

The Developer Subsidy is not subject to recapture under these provisions.

Guidelines for Recapture of HOME Funds Used for the CHIP Program

For the CHIP program, the policy of DCA for the recapture of HOME investments in cases where the borrower does not occupy the house for the full term of the affordability period is derived from the HOME program regulations at 92.254(a)(5)(ii)(A) and section 215(b)(3)(B) of the National Affordable Housing Act. DCA has selected option number three, shared net proceeds, as set forth in paragraph 92.254(a)(5)(ii)(A)(3) of the program regulations. If the net proceeds are not sufficient to recapture the full amount of the CHIP investment plus enable the homeowner to recover the amount of the homeowner’s down payment and any capital improvement investment made by the homeowner since purchase, the city or county must share the net proceeds with the homeowner.

In this case, the net proceeds will be divided proportionally as set forth herein by mathematical formula:

A = HOME amount to be recaptured
 B = amount to homeowner

$$\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = A$$

$$\frac{\text{Homeowner investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = B$$

If there are no net proceeds, repayment of the note is not required.

In the event the net proceeds exceed the amount necessary to repay both the homeowner’s investment and the HOME (CHIP) subsidy, the excess proceeds will be paid to the homeowner.

The DCA recapture policy for the CHIP Program is the same for voluntary and involuntary sales.

In the event a first mortgage held by Habitat for Humanity is foreclosed upon by Habitat for Humanity, DCA will approve a Habitat for Humanity eligible low-income substitute mortgage. In this event, the full affordability period will start over.

Leveraging Requirements for the CHIP Program

CHIP funds are intended to encourage investment in housing by the private sector including local lending institutions, private investors, and property owners. DCA expects that CHIP funds will be used to subsidize private investment in order to achieve affordable housing production goals rather than to provide the entire source of funding required. Therefore, emphasis is placed on leveraging private resources when evaluating CHIP applications. Other sources of funds typically used to leverage CHIP funding include private lending institution financing, USDA, nonprofit organization and foundation resources, and owner's cash contributions.

Refinancing

Refinancing as a stand alone activity is not eligible under the HOME program.

Tenant-Based Rental Assistance

The State does not may propose to provide tenant based rental assistance during SFY2009 using an allocation of FFY2008 HOME funds. However, if the State proposes such a program any tenant-based rental assistance program will be implemented in accordance with applicable HUD regulations found at 24 CFR 92.209-92.211. A Substantial Amendment to the SFY2009 Consolidated Plan will also be issued to insure adequate opportunity for public comment.

Other Forms of Assistance

The State does not anticipate investing HOME funds in other forms than described in 24 CFR Section 92.205(b) of the HOME Investment Partnership Final Rule regulations effective October 1, 1996 and as subsequently amended. The State will notify HUD as appropriate if any changes are proposed.

Affirmative Marketing

General:

The State's affirmative marketing goal for the HOME program is to ensure that persons of all racial, ethnic and gender groups have the opportunity to rent or own a HOME assisted unit. The State will carry out this policy through the affirmative marketing procedures established in accordance with the Final HOME Rule. These procedures are intended to further the objectives of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, Section 3 of the Housing and Urban Development Act of 1968, and Executive Orders #11063 (as amended by Executive Order #12259) and #11246.

The State's affirmative marketing procedures do not apply to HOME assisted projects containing less than five housing units, families with housing assistance provided by a public housing authority, or families with tenant-based rental assistance provided with HOME funds.

Affirmative Marketing Procedures:

Informing the Public, Owners and Potential Tenants about the Affirmative Marketing and Fair Housing Laws.

As indicated below, the State will inform the public, owners, and potential tenants about state and federal fair housing laws and the State's affirmative marketing program. In addition, the State will require the same of State recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing.

- 1) The State will incorporate information on fair housing and affirmative marketing into all appropriate HOME program meetings open to the public or to potential participants. The State will conduct public meetings for potential participants in geographically distributed areas of the State, and will require that all state recipients and subrecipients in the HOME funded programs conduct a public meeting for potential participants as well. Advertisements for the meetings must be published in the local media and state that the HOME programs are equal housing opportunity programs.
- 2) All appropriate printed materials associated with the HOME funded programs and distributed to the public will contain the equal housing opportunity logo. The State will require recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing to include the equal housing opportunity logo in any of its printed materials distributed to the public.
- 3) The State will provide to all current tenants of any existing building being considered for assistance through the HOME programs a briefing and a written description of the tenant's rights as guaranteed through the HOME programs as related to federal fair housing laws and the State's affirmative marketing program.
- 4) The State will develop and maintain a solicitation list of potential participants in the HOME programs and will require that state recipients and subrecipients develop and maintain a solicitation list of potential participants in the HOME program.

Informing Potential Tenants of the Availability of HOME Assisted Housing:

The State will take actions to attract eligible persons from all racial, ethnic and gender groups in the housing market area to the available HOME assisted housing in said area.

- 1) The State requires that state recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing inform and solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach by posting and/or distributing information (flyers and/or brochures) in such places as

community organization facilities, places of worship, employment centers, fair housing organizations, or housing counseling agencies.

- 2) The State recommends that all owners of HOME assisted rental housing contact the appropriate DCA regional office to advise the State of any anticipated vacancies in HOME assisted units. DCA will use the HUD approved procedure for informing families on the Housing Choice Voucher Program waiting list of the availability of the particular unit.

Special Outreach Procedures:

- 1) The State requires that, to the greatest extent feasible, state recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing provide opportunities for training and employment of low-income persons residing within the housing market area of the HOME assisted housing.
- 2) Furthermore, the State requires that, to the greatest extent feasible, project-related contracts for work on HOME assisted housing be awarded to business concerns located in or owned in substantial part by persons residing in the housing market area where the HOME assisted housing is located.

Compliance:

- 1) The State requires that the state recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing comply with the State's affirmative marketing plan as a condition of assistance. This requirement is included as a legal covenant in the appropriate performance agreement.
- 2) The State will not release funds for projects unless the entire affirmative marketing plan criteria has been met.
- 3) The State monitors the implementation of affirmative marketing plans developed by HOME recipients to ensure full compliance with the State's goals. Documentation of phone calls, letters, questionnaires and on-site visits ensure that all marketing efforts are obtained. Each general partner of a HOME funded rental housing development must sign an annual owner certification that attests that the property is adhering to the HOME program requirements.

Recordkeeping Procedures:

- 1) The State will maintain records that will describe affirmative marketing activities undertaken and will require state recipients, subrecipients, CHDOs, prime contractors, and owners of HOME assisted housing to maintain records and submit annual reports on their affirmative marketing activities to the State as a condition of receipt of HOME funds. In addition, the State maintains a record of all published notices and newspaper articles concerning the HOME programs.
- 2) The State requires the owner to assess annually their affirmative marketing efforts and describe the method of self-assessment used.

Affirmative Marketing Activity Assessment and Corrective Actions:

- 1) The State will review the success of its affirmative marketing activities associated with the HOME program and will take corrective action to strengthen any weaknesses in its affirmative marketing activities. This assessment will also be completed for each state recipient, subrecipient, CHDO, prime contractor, and owner of HOME assisted housing over four units (smaller housing projects will be assessed every two years). Each will be required to take corrective action to strengthen any weakness. Failure to do so may result in the pursuit of remedies by the State.

Minority Outreach Efforts

Homeownership

Homeownership is a cornerstone of America's healthy, vibrant communities, and helps families to build stability and long term financial security. Sadly, homeownership is out of reach for many Americans especially for low income minority households. For millions of these families, homeownership is a distant, unreachable dream. DCA does not specially have a program targeted towards any particular minority or ethnic group but is committed to ensuring that homeownership opportunities are available to all Americans and to policies that would help more families open the doors of homeownership. DCA has established goals to remove barriers and foster opportunities for homeownership. DCA abides by all regulations under the Fair Housing and Equal Opportunity laws. DCA empowers Georgians by:

1. Providing curricula, material, financial assistance, training, and certification to nonprofits agencies to educate home buyers.
 - a. Requiring home buyer education to receive down payment assistance.
 - b. Referring potential consumers to local agencies for the actual classes
2. Proactively preventing housing discrimination through outreach and the enforcement of the State's and federal fair housing laws by:
 - a. Educating lenders, real estate professionals and builders to comply with the laws.
 - b. Undertaking a cooperative effort to increase access to the nation's housing stock so that more Americans can choose to live where they want to live.
 - c. Reviewing loan papers and loan terms services under the Georgia Fair Lending Act through contract counseling agencies.
3. Promoting Financial Literacy by teaming with the Georgia Consortium for Personal Financial Literacy Group to encourage wise decisions for consumers.
4. Working with lenders to identify high cost loans and HUD's Office of RESPA and Interstate Land Sales to vigorously enforcing RESPA laws to fight predatory lending. DCA will not purchase any high cost loans as defined by the Georgia Fair Lending Act (GFLA).

5. Collaborating with the Georgia Real Estate Fraud Prevention & Awareness Coalition (GREFPAC), which creates environments that promote honesty, openness and fairness in real estate transactions.
6. Distributing brochures and other information booklets at most DCA functions and as requested.

General

DCA programs are not specifically targeted to areas of minority concentration, but are distributed throughout the state targeted for activities that serve LMI persons. Minority beneficiary data for race, ethnicity and female head-of household is also summarized in each year's CAPER.

Nevertheless, DCA makes a special effort to inform minority groups of HOME program opportunities by requiring that each recipient of HOME funds through the HOME Rental Housing Loan, Rural Rental Housing Development Fund, Georgia Dream Single Family Development, and Permanent Supportive Housing Loan programs develop and implement an Affirmative Fair Housing Marketing Plan. This plan outlines actions the developer will take to attract to the project eligible persons from all racial, ethnic and gender groups, especially those households least likely to apply for the housing without special outreach. Concerted efforts continue to be made to inform local governments, nonprofits, for-profit developers, public housing authorities and others about the affirmative marketing requirements of the HOME program.

DCA within each of its programs require each State Recipient and each owner of five or more rental or homeowner housing units to develop and implement an Affirmative Fair Housing Marketing Plan (AFHMP) and a Minority Business Enterprise/Women Business Enterprise Outreach Plan (MBE/WBE). DCA reviews and approves all AFHMP and MBE/WBE plans before any written agreements are signed or funds are disbursed.

I. GEORGIA'S PROPOSED DISTRIBUTION METHOD, GEOGRAPHIC ALLOCATION AND PROGRAM SPECIFIC FEDERAL REQUIREMENTS OF ADDI FUNDS

The Georgia Housing and Finance Authority (GHFA) is the Participating Jurisdiction (PJ) and recipient of the State of Georgia's allocation of funds from the federal American Dream Downpayment Initiative (ADDI) program. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this ADDI allocation.

The State will receive \$145,606 in FFY2008 consolidated program funding for its ADDI allocation. The State proposes to operate the Georgia Dream Second Mortgage Program using its FFY2008 ADDI allocation:

Georgia Dream Second Mortgage Program offers deferred payment second mortgages of \$5,000 for down payment, closing costs, prepaid expenses, and principal reduction for low-income home buyers. Loans are generally used in conjunction with the State's Georgia Dream First Mortgage program. This mortgage program also offers several enhancement options to assist homebuyers. The following options are offered:

- The Rural Development option offers a deferred payment second mortgage to cover a portion of down payment, closing cost and prepaid expenses for low income home buyers receiving first mortgage loans through the USDA-Rural Development Direct 502 Loan program.
- The CHOICE (Consumer Home Ownership for Independence, Choices and Empowerment) option is for qualified individuals with disabilities and/or households with members who have a disability that, because of income considerations alone, cannot afford to purchase a home. This option provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- The Efficient or Visitable option is designed to encourage the construction of homes that are energy efficient as well as homes that are visitable by individuals with mobility impairments. The loans must be secured by properties built by builders certified under the ENERGY STAR[®] Homes, EasyLiving Home^s or the EarthCraft Homes[™] programs. The option provides \$7,500 as a deferred payment second mortgage loan to qualified applicants for principal reduction, down payment closing costs, and prepaid loan related expenses.
- The PEN option is designed to assist Georgia's heroes, who help others in times of need, to purchase a home of their own. This program is available to those employed in career fields of Protection, Education and Nurses/Health Care Workers. The "protectors" program category includes police department, sheriff's office, corrections or other law enforcement agency; local, state or federal fire department; and active duty military personnel of the U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard, the Army National Guard, and/or the Air National Guard. Eligible applicants will receive \$7,500 as a deferred payment second mortgage loan for down payment, closing costs, other loan related expenses, and principal reduction.
- The HONORS option offers deferred payment second mortgages of \$10,000 to an eligible borrower who is for widows or widowers of service men and women or protectors, including law enforcement and fire and emergency services personnel who was killed while on active duty or in the line of duty. Funds may be used towards down payment, closing costs, prepaid expenses, and principal reduction. Loans are generally used in conjunction with the State's First Mortgage program.

- The Signature Community option is designed to assist employees of a local government that has received a Signature Community designation by DCA. Eligible employees purchasing a home will receive \$7,500 as a deferred payment second mortgage loan to use towards principal reduction, down payment, closing costs, and other loan related expenses.
- The Homeownership Voucher option provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, wherein the head of household, spouse or dependent is disabled or the head of household is participating in the Family Self Sufficiency Program. This program enables a household to purchase a home utilizing the Housing Choice Voucher Program Housing Assistance Payment (HAP) as income for qualifying for a mortgage loan. Deferred payment second mortgages of up to \$20,000 made available through the Georgia Dream Second Mortgage program will be utilized to cover costs associated with down payment, closing, pre-paid items, and principal reduction.
- The Welcome Home option provides financing to the brave service people who were called to duty to serve our country in the global war on terrorism. Eligible applicants will receive \$10,000 as a deferred payment second mortgage loan for down payment, closing costs, other loan related expenses, and principal reduction.

No more than \$10,000 of ADDI funds will be utilized for any single household. Any additional amount will be funded using HOME dollars.

Application Processes

DCA will directly administer the Georgia Dream Second Mortgage Program including the CHOICE, HONORS, Signature Community, Homeownership Voucher, Efficient or Visitable, Welcome Home and PEN options through a state-wide network of participating lenders. The Rural Development option of the Georgia Dream Second Mortgage program will be administered by DCA through USDA-RD. DCA will solicit applications to the Homeownership Voucher option by sending an announcement to eligible families identified by DCA's Housing Choice Voucher Rental Assistance program. Eligible households seeking homeownership assistance will be asked to complete a statement of interest and return it to DCA by a specific deadline. Applications will be reviewed following standard underwriting criteria and funded on a first-come, first-served basis according to criteria established for each set-aside.

General Application Guidelines

Every application must meet certain minimum program requirements as outlined below to be considered for funding:

- All applications must be eligible entities;
- All activities undertaken with ADDI funds must be eligible;

- All recipients must be first time home buyers;
- The minimum amount of ADDI funds that can be invested in a project involving homeownership is \$1,000 per unit;
- The proposed project must be economically feasible;
- The maximum award per project varies by program, ranging between \$5,000 and \$20,000. At no time, however, will more than \$10,000 of ADDI funds be used to assist one household.

Within each of the State's ADDI funded programs, every application must follow established, program-specific application guidelines to be considered for funding.

Georgia Dream Second Mortgage Program including the HONORS, CHOICE, Homeownership Voucher, Signature Community, Efficient or Visitable, Welcome Home, and PEN options:

A first-time home buyer must apply for any of these deferred payment loans through one of DCA's participating lenders located across Georgia. A borrower must have a sales contract to purchase a home before the application can be made. However, a borrower is encouraged to contact a participating lender prior to signing a sales contract to review the borrower's credit history and to determine an affordable home price range. Once received, the participating lender and DCA will review the application according to lending industry standards and DCA guidelines established for each funding type.

All borrowers are required to receive home buyer education prior to loan closing from one of the nonprofit housing counseling agencies to which DCA provides financial support or from another nonprofit or for-profit source meeting DCA's home buyer education requirements.

Rural Development option of the Georgia Dream Second Mortgage Program:

First-time home buyers may apply for the Rural Development option of the Georgia Dream Second Mortgage loan through the application process for an USDA-RD Rural Direct 502 Loan. Once received, the USDA-RD and DCA will review the Rural Development application according to USDA-RD and DCA standards. All Rural Development option borrowers receive home buyer counseling prior to loan closing from USDA-RD.

Homeownership Voucher option of the Georgia Dream Second Mortgage Program:

DCA will solicit applications to the Homeownership Voucher by sending an announcement to eligible families identified by DCA's Housing Choice Voucher Rental Assistance program. DCA will continually evaluate opportunities to expand this program. Eligible households seeking homeownership assistance will be asked to complete a statement of interest and return it to DCA.

Geographic Allocation of ADDI Funds

In general, the “first-come, first-served” nature of the State’s ADDI funded programs prohibits any geographic predetermination for the use of ADDI funds.

To help increase the expenditure of ADDI funds in the State’s rural counties, the following policies will be implemented during SFY2009:

- The State will continue implementation of its Rural Development option of the Georgia Dream Second Mortgage program to offer deferred payment second mortgages to cover down payment, closing cost and prepaid expenses for low income home buyers receiving first mortgages through the USDA-Rural Development Direct 502 Loan program.
- The State will continue its expanded homeownership marketing efforts in rural areas utilizing five full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. Four of the five marketing staff members spend the majority of their time working outside of metropolitan Atlanta.
- Further, the interest rate of the Georgia Dream First Mortgage Program used in conjunction with Georgia Dream Second Mortgage loan is typically lower for homes located in mostly rural, targeted areas of Georgia.
- The State will continue to work with USDA Rural Development to coordinate and to implement programs that serve rural Georgia.
- The State will continue implementation of its HUD-funded Housing Counseling program that is designed to educate potential home buyers on the home buying process. Administered through nineteen housing counseling agencies including six regional Consumer Credit Counseling Services (CCCS) and twenty-five nonprofit agencies across Georgia, this program provides individualized pre-purchase housing counseling and post-purchase follow-up services respectively to potential or recent home buyers. Using State funds and administered through a network of nonprofit providers, the State also offers Consumer Education Seminars in a group settings that are geared to promoting a general awareness of the advantages and responsibilities of homeownership. Graduates of the course receive a certificate that satisfies the homebuyer-counseling requirement for Fannie Mae, Freddie Mac and GHFA.
- The use of Automated Underwriting will enable small banks in rural areas to participate. The State will also develop linkages with outsourcing companies that the smaller banks can utilize in the processing of loans.

Program Specific Requirements

Guidelines for Recapture of ADDI Funds Used for Home Buyers under the Georgia Dream including the Signature Community, EV, PEN, CHOICE, HONORS, Welcome Home, and Homeownership Voucher options:

As previously discussed, the State proposes to operate a second mortgage program designed to assist a first-time home buyer program using ADDI funds: Georgia Dream Second Mortgage Programs including the HONORS, Signature Community, EV, PEN, Choice, Welcome Home and Homeownership Voucher options collectively referred to in this section as the “ADDI Loan.” Each program will provide assistance to moderate and low income families and individuals who are first-time home buyers, for principal reduction and to cover the down payment, closing costs and prepaid expenses associated with their home purchase. Note: a loan to a home buyer that includes both HOME and ADDI funds will be collectively considered an “ADDI Loan.”

The Period of Affordability for all ADDI Loans under \$15,000 is six years and 11 years for all ADDI loans \$15,000 or higher. If a home with an ADDI Loan is sold within nine years of the loan closing, the borrower is subject to possible recapture tax and must report it on their annual tax return using IRS Form 8828, “Recapture of Federal Mortgage Subsidy.” The ADDI investment that is subject to recapture is based on the amount of ADDI assistance that enables the home buyer to buy the dwelling unit.

DCA will follow the guidelines indicated below for all ADDI Loans both during and after the affordability period associated with the ADDI assistance:

Sale, Transfer or Foreclosure:

In the event the borrower sells or transfers the mortgaged property or if the mortgaged property is foreclosed upon, and after the first lien holder (and any other higher priority liens) is satisfied, DCA will employ the shared net proceeds option in accordance with 24 CFR Part 92.254(a)(5)(ii)(A) and will accept the remaining funds available based on the Settlement Statement as the net proceeds of the sale and as the amount of the ADDI Loan subject to recapture as provided in 24 CFR Part 92.254(a)(5)(ii)(A)(3). DCA will write-off the remaining balance. DCA will satisfy the security deed and will not pursue any further collection efforts.

Assumption of the First Mortgage:

DCA will allow an assumption of the ADDI Loan by an income eligible borrower who is assuming the first mortgage. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of underwriting an assumption.

Subordination of the ADDI Loan:

Under specific conditions, DCA will agree to subordinate the ADDI Loan to a refinanced first mortgage or a home equity loan. The total debt outstanding, considering the new loan and the existing ADDI Loan may not exceed 100% of the current appraised value.

In order to determine the amount of the home equity loan or the new first mortgage, DCA will review the HUD-1 Settlement Statement or other

documentation we determine is appropriate. An appraisal performed within the previous 60 days and used to determine the market value of the property for the new loan must also be included with the loan documentation for our review. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of the subordination.

Targeted Outreach to Residents and Tenants of Public and Manufactured Housing and Other Families Assisted by Public Housing Agencies

To ensure, to the greatest extent possible, that tenants and residents of public housing, manufactured housing and other families assisted by public housing agencies are aware of the funds available through the ADDI program, DCA will take the following steps:

- DCA will provide information concerning the Georgia Dream Second Mortgage program to local governments, the Georgia Manufactured Housing Association, Public Housing Authorities, Georgia Legal Services, Georgia State Trade Association of Nonprofit Developers, Georgia Association of Housing and Redevelopment Authorities, and the Georgia Service Delivery Regional staff along with other applicable groups. DCA will encourage these groups to provide outreach to public housing authority residents and manufactured housing tenants. DCA staff will be available to provide specialized training to any organization working with these target groups upon request.
- DCA will incorporate a session on utilizing this program for potential home buyers as a regular part of our training courses and presentations to our lenders, real estate professionals and other groups that encounter the target populations.
- DCA will encourage locally generated home buyer education programs and home buyer fairs targeting these populations and has staff available to participate in the events.
- DCA will market the Georgia Dream Homeownership Programs to industries with a high number of low to moderate income paying jobs that are located in counties with a high percentage of mobile homes.

Suitability of Families Receiving ADDI funds to Undertake and Maintain Homeownership

To ensure, to the greatest extent possible, those families receiving assistance using ADDI funds are successful homeowners, DCA will take the following steps:

- DCA will continue implementation of its Housing Counseling program that is designed to educate potential homebuyers on the home buying process. The program offers individualized pre-purchase counseling and post-purchase follow-up services through a network of Consumer Credit Counseling Service (CCCS) organizations across Georgia. In addition, the State will hold Consumer Education Seminars in cooperation with

local organizations to promote the general advantages and responsibilities of homeownership.

- The State will continue to actively market its Georgia Dream first and second mortgage programs to real estate and mortgage companies operating in neighborhoods with high minority concentrations. DCA has established collaborations with designated cities in Georgia creating a partnership entitled “DreamCity”, which is a unique, ground breaking collaborative effort designed to increase affordable homeownership in Georgia’s cities. The initiative combines the resources of the Georgia Dream below market interest rate first mortgage and 0% second mortgage financing with the existing resources of the cities. Homeownership opportunities under these partnerships have become even more affordable for Georgia’s first time home buyers.
- DCA will encourage all families applying for ADDI funds, to contact a participating lender prior to signing a sales contract to review the family’s credit history, to determine an affordable home price range and utilizing a fixed mortgage product.

J. GEORGIA’S PROPOSED DISTRIBUTION METHOD, GEOGRAPHIC ALLOCATION AND PROGRAM SPECIFIC FEDERAL REQUIREMENTS OF CDBG FUNDS

This section describes the proposed method for distributing funds to local governments making application for the State’s CDBG Program. DCA is the administrative agent of the state for distribution of federal CDBG funds to "non-entitlement" local units of government. The State will receive \$40,055,023 in FFY2008 CDBG funds to address housing and community development needs.

As outlined in Title I of the Housing and Community Development Act, the primary goal of the CDBG program is the development of viable communities, by providing decent housing and suitable living environments and by expanding economic opportunities, principally for persons of low- and moderate-incomes. In addition to the national program goals and objectives outlined by this Act, the State has designed its CDBG program to do the following:

- Address community priorities;
- Ensure fairness in the treatment of all applications;
- Promote the development of affordable housing;
- Assist communities in preserving and developing basic infrastructure and public facilities; and
- Support economic development activities that principally benefit low- and moderate-income persons through job training and job creation.

Method of Distribution **Eligible Applicants**

Eligible applicants are units of general-purpose local government, excluding those cities and counties eligible to participate in the urban counties or metropolitan cities "CDBG Entitlement Program" of HUD.

Geographic Allocation

The State does not intend to impose any geographic restrictions in the method of distribution. State CDBG funds serve communities throughout the state, excluding Georgia's entitlement communities that receive funds directly from HUD.

Revitalization Area Incentives

For the FFY2008 Regular Round CDBG program, the Department will continue incentives for the development of comprehensive community revitalization strategies. Communities opting to develop and implement these strategies will be given the opportunity to:

- Apply every year
- Receive bonus points
- Obtain approval of budget line items for limited planning monies that will be directed towards the assessment and remediation of a specific blighted site, facility or brownfield.

The Revitalization Area program rewards innovative local strategies and recognizes that no one strategy or design will work for Georgia's diverse communities. Applicants must show their commitment to targeted areas by developing a local investment program geographically aimed at census block groups of 20 percent or greater poverty and by incorporating a locally driven collaborative approach to community and economic development.

Revitalization strategies developed by applicants must demonstrate the support or "buy-in" of the businesses and residents in the targeted areas. As such, during the Revitalization Area designation process, applicants must develop and demonstrate robust public advisory processes. Local governments also are encouraged to provide local incentives, and design local solutions that enhance the potential for redevelopment and revitalization.

CDBG Revitalization Area activities must take place within a DCA designated "Revitalization Area." As outlined above, Revitalization Areas will be designated through a separate designation process as outlined on in the CDBG Applicant Manual on CDBG Form DCA-14, in the Appendix of the DCA Applicants' Manual and at www.dca.state.ga.us.

Types of Grants

During the FFY2008 program year, the Georgia CDBG program is divided into four separate components: (1) The Regular Annual Competition, (2) The Immediate Threat and Danger Grant Program, (3) The Employment Incentive Program (EIP) and (4) The Redevelopment Fund

A) Applications under the Annual Competition must be for either a single-activity or a multi-activity grant:

- 1) Single-activity grant applications must be structured to address problems within one of the following three areas: (a) housing, (b) public facilities, or (c) economic development. Single-activity grant applications may qualify for Revitalization Area bonus points.
- 2) Multi-activity grant applications must involve two or more activities that address community development needs in a comprehensive manner. This funding component requires an applicant to address problems within more than one of the areas listed above. Multi-activity grant applications may qualify for Revitalization Area bonus points.

B) Immediate Threat and Danger (ITAD) applications must address an event or situation that has a particular urgency and uniqueness which adversely affects or affects a community and its citizens and where other financial resources are not available to meet such needs. Through submittal of this Plan, the State is certifying that this activity is designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available.

Since March 3, 2007, Georgia has been affected by two natural disasters—one in Southwest Georgia due to tornado activity (Presidential Disaster declared on March 5, 2007) and one in Southeast Georgia due to wild fires (Georgia State of Emergency declared on May 2, 2007). Because of these natural disasters, DCA wishes to maintain flexibility in responding to local governments' community development needs in the areas affected. In order to be responsive, DCA may add resources to this set-aside as they become available. If resources are not needed within a reasonable period, funds will be returned to the applicable CDBG program areas.

C) Employment Incentive Program (EIP) applications must provide for the creation and/or retention of jobs, or job training, principally for persons who are low and moderate income. Typically, this includes loans to private for profit entities or the provision of infrastructure improvements.

D) The Redevelopment Fund applications should generally be targeted to projects that will leverage private sector investments in blighted downtown commercial and industrial areas. Projects that meet HUD's "slum and blight" (on either a "spot" or "area" basis) national objective are encouraged.

Maximum Grant Amounts

Annual Competition: Single Activity	\$	500,000
Annual Competition: Multi Activity	\$	800,000

Immediate Threat and Danger Program	\$ 50,000
Employment Incentive Program	\$ 500,000
The Redevelopment Fund	\$ 500,000

Note that the maximum grant amount for the EIP or the ITAD Program may be increased. See specific program descriptions for details.

Restrictions on Eligibility for Competition and Award

- A) Only one single- or multi-activity application per general-purpose local government, whether individually or jointly submitted, shall be eligible for competition under the Regular Annual Competition.
- B) Only one single- or multi-activity award under the Regular Annual Competition may be received by any general-purpose local government.
- C) No recipient of a single- or multi-activity award under the Regular Annual Competition shall be eligible to compete for or receive another single- or multi-activity award from the next fiscal year’s Regular Annual Competition allocation except for recipients applying for activities within a DCA-approved Revitalization Area who may apply annually. This restriction does not apply to the Immediate Threat and Danger Program, the Employment Incentive Program, any community designated as an Enterprise Community, the CDBG Loan Guarantee Program, or the Redevelopment Fund. In addition, communities designated by DCA as a “Water First Community,” or a “Georgia Signature Community,” may apply annually. Water First communities must propose water improvements as the primary purpose of the grant in order to apply annually.
- D) Local governments that receive designations for annual eligibility under item C must show substantial progress in implementing and spending prior grants in order to receive subsequent awards. Criteria to be considered in measuring “substantial progress” include, but shall not be limited to, percentage of funds obligated and/or expended from prior grants.
- E) Applications for the Immediate Threat and Danger Program, the CDBG Loan Guarantee Program, the Employment Incentive Program, or the Redevelopment Fund may be submitted notwithstanding the submission of an application under the Regular Annual Competition.
- F) Recipients of prior CDBG funding must resolve all outstanding audits, monitoring findings and/or other program exceptions that involve a violation of federal, state or local law or regulation prior to award of or submission of any application to DCA. In addition, recipients who fail to substantially meet their proposed accomplishments in their current CDBG project or have missed significant deadlines imposed by DCA or other applicable agencies may be penalized by a reduction in the subsequent year’s total score for the regular competition.
- G) Paragraph C shall not apply in the case of two or more counties applying together to carry out a project of regional impact. Such applications, however, which are not actually regional in nature (which could have been submitted by only one county), will be rejected.

H) All CDBG recipients are expected to expend one hundred percent (100%) of all funds within twenty-four (24) months from the date of the grant award made by DCA. DCA reserves the right to recapture all unobligated funds after the twenty-four month period and to restrict an applicant from submitting a CDBG application whenever an unacceptable level of funding under a current grant remains unobligated.

Eligible Activities

The eligible activities under Georgia’s CDBG program are those activities identified in the Housing and Community Development Act of 1974, as amended. However, to be eligible for competition and/or award under the regular round CDBG competition, **the State has determined that each activity must be eligible under the Act and not less than 70% of its CDBG cost must benefit low- and moderate-income persons.** (This provision does not apply to the Immediate Threat and Danger Grant Program, the CDBG Loan Guarantee Program, the Employment Incentive Program, or the Redevelopment Fund).

Annual Competition

Rating and Ranking System for the Regular Annual Competition

Single- or Multi-Activity applications will be rated separately to assign points for feasibility, impact and strategy. Demographic scores will be calculated separately for cities and counties. For purposes of calculating the demographic score, joint or regional applications that include a county will be included in the county group and those including only cities will be included in the city group.

Applications will be rated and scored against each of the following factors, using any additional and/or supplemental information, data, analyses, documentation, commitments, assurances, etc. as may be required or requested by DCA for purposes of evaluating, rating, and selecting applicants under this program. The maximum score is 500 points.

	<u>Maximum Points</u>
Demographic Need - absolute number in poverty	40
Demographic Need - percent of poverty persons	40
Demographic Need - per capita income	40
Program Feasibility	110
Program Strategy	110
Project Impact	110
Leverage of Additional Resources	25
Bonus points for Revitalization Area Activities, Up to	20
<u>Bonus points for Readiness to proceed, Up to</u>	<u>5</u>
Maximum Total Points	500

A) Demographic Need - absolute number of people in poverty:

Applicants will be compared in terms of the number of persons whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant in the group and multiplying by 40.

B) Demographic Need - percent of people in poverty:

Applicants will be compared in terms of the percentage of population below the poverty level. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant in the group and multiplying by 40.

C) Demographic Need - per capita income:

Applicants will be compared in terms of their per capita income. Scores will be obtained by dividing each applicant's per capita income into the lowest per capita income of any applicant in the group and multiplying by 40.

D) Program Feasibility:

Applicants will be compared in terms of project feasibility. The following factors are considered: an analysis of such items as 1) verification and reasonableness of cost; 2) documentation that all project financing sources needed for the project will be available; 3) where applicable, documentation that preliminary engineering, architectural and or site plans have been prepared and support the proposed project; 4) verification that any required property is available for the project; 5) where applicable, review of any proposed subrecipient's credentials to provide evidence of administrative capacity to undertake an approved activity; and 6) compliance with applicable state and federal laws, and 7) reasonable project timetables.

Points for feasibility will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the feasibility factors.

Level One (Unacceptable)	0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

E) Program Impact:

Applicants will be compared in terms of program impact. The following factors will be considered: 1) the number of persons benefiting; 2) the cost per person benefiting; 3) the project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement; and 4) an analysis of the documented severity of need and the impact of the project on the identified need or problem.

Points for impact will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the impact factors.

Level One (No Impact)	0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

F) Program Strategy:

Applicants will be compared in terms of program strategy. The following factors are considered: 1) an analysis of alternative solutions to address the identified problems, 2) as appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the reoccurrence of the identified problem within their jurisdiction; 3) an analysis of the ongoing financial effort that the applicant has made or will make to address the identified problem and to maintain and operate the proposed project, facility or system; 4) the extent of benefit to persons of low- and moderate income; and 5) multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization, revitalization and the degree of resident's support and involvement.

Points will be awarded, in accordance with the levels below, by a review panel based on how well the applicant, compared to others, addresses the strategy factors.

Level One (Unacceptable)	0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

G) Leverage of Additional Resources:

Leverage includes additional resources committed to and directly related to the project, including cash above the required minimum cash match amount, the purchase of equipment and furnishings with non-CDBG funds, and additional grants and loans from other sources. Only items that would not otherwise have been provided will be counted. A "reasonable" value must be assigned to donated and "in-kind" items. Up to 25 points can be assigned for leverage of additional resources.

The leverage score will be calculated as follows:

- 1) Total dollar value of leverage for each applicant will be calculated and then divided by the total population of the applicant in order to obtain a per capita leverage figure reflective of each applicant's relative effort.
- 2) Applications will be assigned to one of five groups:
 - Multi-activity

- Housing
 - Economic Development
 - Water and/or Sewer
 - Other Public Facilities
- 3) The applications will then be ranked within these groups, based on per capita leverage amounts, from no leverage (no points) to highest per capita leverage and points assigned based on the percentile ranking. If no applicant within any of the groups listed above has \$0 leverage, a proxy score of \$0 will be inserted to insure that if leverage is provided by the applicant a score greater than \$0 will result.
 - 4) Up to 25 points can be assigned for leverage of additional resources. The ranking will be established using the range of applicants' per capita leverage amounts (from 0 to the highest per capita leverage) and calculating a percentile score for each applicant's per capita leverage amount within the range. This percentile score will be multiplied times 25 to establish the points for per capita leverage. For example, if an applicant's per capita leverage amount is \$300 and if \$300 represents a percentile score of 50 percent, the leverage points will be 15 (.50 x 25= 12.5).

H) Bonus points for Revitalization Area Activities:

Points will be awarded for the utilization of existing state redevelopment programs, initiatives and incentives in eligible areas. Following receipt of a designation, a CDBG applicant may be awarded up to 20 points for activities occurring within a DCA-approved Area as follows:

1) Revitalization Area Threshold Requirement (5 Bonus Points): In order to be eligible for Revitalization Area designation and bonus points, a local government must establish a local redevelopment area and plan pursuant to O.C.G.A. 36-61-1 et seq. within a Census Block area with a poverty rate of 20% or greater. Additionally, the local government must describe the activities it will undertake to promote economic empowerment through meaningful job creation for the unemployed and low- and moderate-income residents as well as activities to promote the substantial revitalization of the area.

2) Local Redevelopment Tools: (5 Bonus Points) Points may be earned through the use of such tools as State Enterprise Zones, Tax Allocation Districts, Community or Business Improvement Districts, or other geographically targeted tax or investment programs within the eligible area. In order to receive these points, the applicant must provide as proof the resolution or ordinance creating the redevelopment tools for which bonus points are sought.

3) Investment Partnerships: (maximum of Five Bonus Points): Points may be earned through the incorporation into the local program of certain job creation/retention, revitalization, residential improvement or social service funding programs geographically targeted to the areas of eligibility. Various

programs including public programs chartered by the State of Georgia, GHFA, the U.S. Department of Treasury, the SBA, the USDA, the Federal Home Loan Bank, the TVA, HUD, and DOL. The leveraging of private funds from various philanthropic, non-profit and/or faith-based organizations will also be rewarded. In order to receive these points, the applicant must provide documentation showing a firm, long-term commitment by investment partners or a long-term commitment by the applicant to use investment partners as part of their Revitalization Area strategy. A long-term commitment by the applicant may be demonstrated by past use of investment partners, plans to incorporate investment partners in its current CDBG project, and the necessary local capacity to use investment partners on an ongoing basis; and/or

4) Collaboration: (maximum of Five Bonus Points): Points may be earned through the demonstration that initiatives will be created and/or undertaken within the eligible area by private for-profit and not-for-profit community stakeholders. Such stakeholders may include local lending institutions, community or neighborhood housing organizations, community based development organizations, community development corporations, community development entities, and other similar organizations. In order to receive these points, the applicant must show that the collaborative stakeholder organizations have a firm commitment to the community, have taken responsibility for carrying out one or more aspects of a Revitalization Area strategy, have sound financial and administrative practices, and the ability to carry out the functions for which they are taking responsibility. Such evidence will include letters of commitment, agreements, programmatic material articles of incorporation and registration from the Secretary of State, audited financial statements or financial review, budgets, IRS determination letter for 501(c) 3 statuses, or other evidence of capacity and commitment. Nonprofits that receive \$25,000 or more in direct or pass-through federal funding during a single fiscal year are usually required to have an audit.

Note: If approved by HUD and the State, applicants may pursue benefits under HUD's comprehensive revitalization approach [24 CFR Part 570.483(e) (5)] that confers certain benefits including the possibility that some additional activities will carry the presumption of low- and moderate-income benefit.

5) Revitalization Area Designation: Revitalization Areas will generally be designated or reauthorized prior to the regular-round application deadline through a separate designation process as outlined on CDBG Form DCA-14, in the Appendix of the DCA Applicants' Manual and at www.dca.state.ga.us. Communities may also request designation within an annual round application. However, communities seeking designation are strongly encouraged to meet with DCA as soon as possible to discuss their request for designation. Applicants who fail to obtain designation (and bonus points) will have their applications ranked and rated as either a regular single- activity or multi-activity competition as appropriate.

A) Area Strategy Plan and Map – A community that wishes to take advantage of the Revitalization incentives of the CDBG program, must first submit a properly adopted Redevelopment Plan for the proposed area that meets the requirements of the Georgia Urban Redevelopment Act pursuant to O.C.G.A. 36-61-1 et seq. Such plan should include a map of the proposed revitalization area indicating that the area is composed of one of more census block groups with a 20 percent or greater poverty rate.

- 1) Map Requirements: Applications shall contain three copies of a map of the revitalization area. Such map shall be prepared in accordance with the minimum map standards and specifications as outlined in the CDBG Application Manual.
- 2) Strategy Plan Requirements:
 - i. Citizen Participation –Along with the area map and description submitted, the locality must provide evidence that a local citizens’ participation process was used that not only meets the requirements of 24 CFR 91.115 and 24 CFR 570.486(a) but also demonstrate that local residents fully support the proposed strategy. Such evidence may include, but is not limited to, minutes and advertisements of public meetings, advisory committee lists and minutes, letters of support from participating organizations and signed petitions from area residents.
 - ii. An Opportunity Zone designated pursuant to O.C.G.A. 48-7-40.1
(c.) (4) will generally be assumed to meet the Revitalization Area Threshold Criterion at Section H (1) and the Local Redevelopment Tools Criterion at Section H (2).
 - iii. Local Revitalization Area designation is valid for three years at which time the sponsoring entity must reapply for designation with DCA. If the community desires to alter the boundaries of an approved Revitalization Area in the meantime, an amended map and any additional pertinent information must be submitted to DCA for approval.
 - iv. Applications for designation must include an assessment of the economic conditions of the proposed area to include:
 - 1) Taxable value of property for the most recent tax year
 - 2) Available.
 - 3) Unemployment rate.
 - 4) Percentage of low- to moderate-income residents.
 - 5) Number of business/occupational licenses issued.
 - 6) Number and value of building permits issued.

- 7) Any other information deemed important to document
 - 8) Economic conditions.
- v. Each year, designated Revitalization Area managers must submit a performance report to DCA that includes the activities and projects undertaken in the area and information on the economic conditions of the revitalization strategy area that includes:
- 1) Taxable value of property for the most recent tax year
 - 2) Available.
 - 3) Unemployment rate.
 - 4) Percentage of low- to moderate-income residents.
 - 5) Number of business/occupational licenses issued.
 - 6) Number and value of building permits issued.
 - 7) Total number of jobs created.
 - 8) Number of low- to moderate-income jobs created.
- vi. There is no limit to the number of revitalization areas a community may designate, although parcels within a single designated area must be contiguous.

D) Bonus Points for Readiness to Proceed

A maximum of five bonus points may be earned through the demonstration of a project's readiness to proceed. Points may be earned through the documentation in the application that: 1) all engineering and architectural plans are finalized and have been approved by appropriate local, state or federal authorities; 2) plans and specifications are finalized and have been approved by appropriate local, state or federal authorities; 3) all environmental reviews (including the CDBG NEPA review) and environmental permitting have been completed; 4) procurement documents/processes are ready to proceed; and 5) all real-estate (including easements and right of ways) needed for the project has been acquired in accordance with applicable requirements and is available for the project. Other equivalent documentation may be provided for housing applications that demonstrate readiness to proceed upon project award.

Final Ranking and Grant Selection: The Regular Annual Competition

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly. Grant awards will be based on this final ranking to the extent funds are available. In case of ties, the applicant with the highest percentage of funds benefiting low- and moderate-income persons will be given priority.

Matching Requirements for the Regular Annual Competition

All awards under the regular annual competition (except for single-activity housing grants) have the following minimum match requirements.

0% for amounts up to \$300,000 in CDBG funds
5% of amounts from \$300,001 to \$500,000, and
10% of amounts over \$500,000.

The match amount must be cash (not "in-kind") and can be from any public or non-public source. However, one exception is that applicants that have obtained or propose a Revitalization Area designation may count the costs of preparing their Redevelopment Plan developed pursuant to O.C.G.A. 36-61-1 et seq. towards their required cash match.

Employment Incentive Program

Special Provisions for the Employment Incentive Program

The Employment Incentive Program (EIP) is intended to facilitate and enhance job creation and/or retention, principally for low and moderate income persons, by providing a flexible and expedient funding cycle that is responsive to expanding economic opportunities at the local level.

Activities identified in Section 105 of the Housing and Community Development Act of 1974 as amended is eligible. For purposes of the Employment Incentive Program, activities are eligible only to the extent that the funded activity creates tangible employment principally for low and moderate income persons. In addition, proposed activities must be based on firm written commitments from eligible subrecipients. The proposed activity may not be speculative in nature. NOTE: For purposes of the EIP program, the term "subrecipient" should generally be interpreted as "business." However, in some cases where EIP funds are to be passed through a local development authority, the development authority itself would also be a "sub-recipient" subject to the same rules and regulations as the benefiting business.

Examples of eligible activities, which may be funded, include, but are not limited to, the following:

- 1) Activities carried out by units of general local government or public or private nonprofit subrecipients including: a.) acquisition of real property; b) acquisition, construction, reconstruction, rehabilitation, or installation of (except for buildings for the general conduct of government) public facilities, site improvements, and utilities, and c) commercial or industrial buildings, structures and other real property improvements.
- 2) Provision of direct assistance to private for-profit entities, when the assistance is appropriate to carry out an economic development project. However, unless such assistance has been approved by DCA for use in or in conjunction with a DCA approved "secondary market" program that would fund CDBG eligible activities with private rather than public funds, such assistance may not be in the form of outright grants, guarantees, or technical

assistance. In addition, financial assistance to private for-profit entities must be made contingent upon firm commitments of financial participation from other private sources such as banks or the private for-profit entities themselves. Such assistance must also create or retain permanent jobs principally for low and moderate income persons.

- 3) Provision of assistance to local development entities and other local nonprofit corporations to fund facilities that assist low and moderate income persons to acquire employment, the employment skills, and/or basic educational training to become more effective participants in the local economy. Eligibility for such activities will be limited to “new” activities that have not previously been undertaken by the unit of general local government or local development entity.

For each activity funded under the Employment Incentive Program, at least 51% of all jobs to be created or retained because of the EIP project must be documented to be either “available to” or “taken by” or retained by persons defined as low and moderate income by DCA. Prior to project close-out, at least 51% of all jobs created must be documented to have been “taken by” persons defined as low and moderate income.

For an activity or project that retains jobs, the unit of local government and proposed subrecipient(s) must document that jobs would actually be lost without the EIP assistance and that at least 51% of the total existing jobs are currently held by low and moderate income persons.

For employment skill enhancement and/or basic educational training activities/services, at least 51% of the recipients of such services must be documented to have been low and moderate income persons at the time such services were provided.

Grant amounts under this program will generally not exceed \$500,000 per award. The maximum grant amount may be increased if warranted by extraordinary public benefit to be achieved by a particular project.

Administrative and closing costs paid with EIP funds shall be limited to 6% of the grant award amount. The administrative cost limitation is applicable whether costs are paid directly to the recipient or financed as a portion of an EIP subrecipient loan. In cases of loan foreclosure, DCA may, on a case by case basis, allow additional administrative and legal expenses to be paid out of loan and/ or foreclosure proceeds.

Funds Set-aside for the EIP Program

Seven (7) million dollars from the FFY2008 allocation to the State for the CDBG Program will be set-aside for this program.

Funds remaining in the set-aside at the end of the fiscal year may be returned to an “active status” and may be used to fund EIP applications under a subsequent fiscal year or transferred to any of the other funding categories or for State Administration, subject to the limitations of the Housing and Community Development Act.

EIP Application Procedures

The application procedure for the Employment Incentive Program includes an initial project assessment and application phase. Local governments may submit applications for consideration at any time regardless of whether an initial project assessment has been approved. The purpose of the initial project assessment is to determine eligibility of a proposed project and the possible competitiveness under the funding criteria outlined below. While an initial assessment is not required, DCA strongly encourages potential applicants to contact DCA to arrange an initial project assessment meeting prior to submitting an application.

Applications may be submitted individually by one unit of general purpose local government, or jointly, by two (2) or more units of general purpose local government. Joint submissions must contain a copy of the Cooperating Agreement entered into by the cooperating units of government. The Agreement should designate the unit of local government that will serve as lead applicant. Applications for the EIP program must be submitted in conformance with the format and applicable instructions specified by DCA.

The locality submitting the EIP application must hold a public hearing in accordance with the requirements of Georgia's CDBG Program Regulations.

Rating and Review Procedures for the EIP Program

Upon its receipt, an application shall be rated against the rating and selection factors specified below, using any additional and/or supplemental information, data, analyses, documentation, commitments, assurances, etc. as might be required or requested by DCA for purposes of evaluating, rating, and selecting applicants under this program. Applications that contain insufficient information or documentation to be evaluated and rated may be returned to the locality for further information.

The staff may conduct site visits and hold discussions with applicants and proposed sub-recipients for the purposes of confirming and evaluating information contained in the pre-application or application. Staff may also consult with other appropriate government and private entities in the course of reviewing and evaluating information contained in pre-applications and applications.

The scores obtained for the various selection factors will be totaled and applicants with scores of at least 300 points that meet all appropriate funding criteria, that conform to the objectives of Title I of the Community Development Act of 1974, as amended, and that can be carried out in compliance with all applicable federal, state or local law, regulations or requirements will be funded until funds are exhausted.

In cases where fundable applications exceed available funds, the applicant with the highest number of jobs benefiting low and moderate-income persons will be given priority.

EIP applications will be rated and scored against each of the following factors.

Review Factor Maximum Points Available

Demographic Need	120 points
Program Feasibility	110 points
Program Impact	110 points
Program Strategy	110 points
<u>Bonus (for Return of RLF Assets)</u>	<u>25 points</u>
Total Available Points	475 points

1) Demographic Need (120 points)

a.) Absolute Number of People in Poverty (40 points)

All eligible local governments will be compared in terms of the absolute number of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government's absolute number of persons in poverty by the greatest number of persons in poverty of any eligible local government and multiplying by 40.

b.) Percent of People in Poverty (40 points)

All eligible local governments will be compared in terms of the percentage of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government's percentage of persons in poverty by the highest percentage of persons in poverty of any eligible local government and multiplying by 40.

c.) Per Capita Income (40 points)

All eligible local governments will be compared in terms of their per capita income. Individual scores will be obtained by dividing each government's per capita income into the lowest per capita income of any eligible local government and multiplying by 40.

Demographic scores will be based on the latest available data, consistent as of the same point in time for each factor. Scores will be based on county data.

2) Program Feasibility (110 points)

The following factors will be considered:

- a) Organizational status of the business;
- b) The past credit history of the business;
- c) The business' historical sales and financial performance;
- d) Viability of the business model;
- e) Management capacity;
- f) The reasonableness of the business' financial and market projections and assumptions;
- g) An assessment of the business management and development team's ability to carry out the project as proposed;

- h) The proposed project's compliance with the federal appropriateness requirements including underwriting and public benefit (For direct loans this requires the complete disclosure of sub-recipients' financial situation);
- i) Verification of project costs;
- j) Verification of project financing sources;
- k) Adequacy and reasonableness of the job commitment;
- l) Completeness of any needed engineering plans and specifications;
- m) Documentation that the project can be carried out in accordance with federal, state, and local laws, regulations, and permitting requirements; and,
- n) Verification of control of any required property.

Points for feasibility will be awarded by a staff review panel, in accordance with the levels below, based on how well the applicant addresses the feasibility factors.

Level One: Poor	0
Level Two: Below Average	27.5
Level Three: Average	55
Level Four: Good	82.5
Level Five: Excellent	110

3) Program Impact (110 points)

The following factors will be considered:

- a) Number of jobs created and/or retained;
- b) EIP cost per job;
- c) Availability of jobs to low and moderate income persons;
- d) Quality of jobs and employee benefits; and
- e) Project's impact on local unemployment rates.

A staff review panel will award points for impact, in accordance with the levels below, based on how well the applicant addresses the impact factors.

Level One: Poor	0
Level Two: Below Average	27.5
Level Three: Average	55
Level Four: Good	82.5
Level Five: Excellent	110

4) Program Strategy (110 points)

The following factors will be considered:

- a) The ratio of private funds to EIP funds (To receive maximum points a minimum ratio of at least 1 to 1 is generally required);
- b) Documentation that the public benefits to be achieved is reasonable and to the extent practicable EIP funds will not substitute for other available funds;

- c) Adequacy of financing strategy (adequacy of equity injection, collateral, and loan terms);
- d) Relationship between the subrecipient's infrastructure needs and the size and capacity of any infrastructure to be provided;
- e) Validity of subrecipient's commitment to fulfill hiring and investment commitments (has subrecipient agreed to provide a letter of credit or other surety to "bond" its performance);
- f) Local government's financial condition, as applicable;
- g) Project's conformance to local planning and development strategy and compliance with the Georgia Planning Act;
- h) Project's conformance to federal, state, and local laws and regulations; and
- i) Relationship to overall objectives of the EIP and CDBG Program, including the extent of benefit to persons of low and moderate income.

A staff review panel will award points, in accordance with the levels below, based on how well the applicant addresses the strategy factors.

Level One: Poor	0
Level Two: Below Average	27.5
Level Three: Average	55
Level Four: Good	82.5
Level Five: Excellent	110

5) Bonus for Return of RLF Assets (25 points)

Localities which have a local Revolving Loan fund (RLF) or loan receivable capitalized with EIP or CDBG proceeds may, at their discretion, return the RLF assets to the State in exchange for greater consideration and access to future EIP financing for eligible projects. The consideration will consist of an extra 25 points for use in any one EIP funding decision. In order to receive the points, a locality must return all RLF assets to the state to remove itself from the administrative requirements of the RLF program. This will generally require that a locality "sell" its loan receivable and return all cash on hand to DCA. For projects that would otherwise not score sufficient points to be funded, bonus points may be awarded at the discretion of the EIP application review panel.

Any assets returned to the state will be added to the state's existing CDBG allocation, or used to capitalize a statewide revolving loan fund and used to fund additional economic development projects.

Special Provisions for EIP Capitalized Local Revolving Loan Funds

DCA may permit localities which have or will receive revenue (principal, interest or other payments) from EIP or other CDBG loans or leases to retain that revenue so long as it is used for the same activity that generated the revenue and also used in accordance with the requirements of this regulation and any other applicable federal, state, or local law, regulation, contract, guidance manual or memoranda.

For localities that will retain program revenue, DCA will require that such revenue be deposited into a separate revolving loan fund (RLF) account that bears the local government's name and used only to carry out specific Title I eligible activities. The RLF must be created by a local resolution and implemented by local policies and procedures approved by DCA.

Localities allowed to retain program revenue must ensure that the RLF is adequately managed. DCA will categorize the RLF as being adequately managed so long as the following responsibilities are being met:

- a) Maintenance of an accounting and financial management system that complies with generally accepted accounting principals and DCA's guidelines for RLF financial management systems;
- b) Compliance with DCA's reporting requirements for local RLFs;
- c) Operation of the local RLF in accordance with DCA approved policies, procedures, and federal, state, and local law, regulation, contracts, guidance manuals and memoranda;
- d) Maintenance of a loan review and selection committee with the capacity to review and analyze loan requests and determine whether such requests represent prudent investments as defined by generally accepted underwriting criteria;
- e) Maintenance of a loan packaging and structuring capacity that meets appropriate underwriting standards for security and documentation;
- f) Maintenance of a loan servicing and monitoring capacity which ensures that loan payments are collected, that loan covenants are enforced, and that loan security is maintained;
- g) Maintenance of a loan portfolio which represents investments in businesses engaged in sound business purposes that have demonstrated tangible employment of low and moderate income persons as defined by DCA; and
- h) Attendance at DCA sponsored training workshops that will be held periodically for purposes of training local RLF administrators.

To assist with the financing of a local RLF program's administrative cost, DCA will allow (on an annual basis) the greatest of 6% or \$2,500 of interest earned by the RLF to be used for administration and audit costs. In certain foreclosure and/or hardship situations, DCA may allow additional amounts to be expended for administrative, audit, or legal costs.

Localities allowed to retain program revenue must also ensure that the RLF is utilized in a timely and efficient manner. DCA will categorize a RLF as being adequately utilized so long as the following criteria are met:

- a) The RLF is used to continue the same activity which generated the program revenue; and
- b) The RLF's cash balance shall not exceed \$125,000 or 30% of total RLF assets, whichever is greater.

Should a locality be unable to utilize the RLF in accordance with items a and b above, the locality may request DCA to waive the provisions. DCA may grant waivers when it is determined that sufficient future activity is probable or the locality is taking steps to ensure future activity.

The Georgia Redevelopment Fund

General

The Redevelopment Fund provides flexible financial assistance to local governments to assist them in implementing challenging economic and community development projects that cannot be undertaken with existing public sector grant and loan programs. The Redevelopment Fund will reward locally initiated public/private partnerships by providing financing to leverage private sector investments in commercial, downtown and industrial redevelopment and revitalization projects that need Redevelopment Fund investment to proceed.

While all projects funded under the Redevelopment Fund that create or retain jobs must make 51% of the jobs available to low and moderate-income persons, the Redevelopment Fund will allow projects to be approved using an “eliminating slums or blight” national objective. The “slum or blight” emphasis will allow smaller scale projects (in downtowns, blighted industrial areas, etc.) to be competitive for Redevelopment Fund financing.

The Redevelopment Fund may support and extend DCA’s existing CDBG programs in order to allow redevelopment projects with “challenging economics” to be made competitive for DCA, private and other public funding investments.

Applicable Law and Regulation

Title I of the Housing and Community Development Act of 1974, as amended; the federal implementing regulations applicable to the State Community Development Block Grant Program (24 CFR Part 570); and DCA's Program Regulations and guidelines for the Georgia State Community Development Block Grant (CDBG) Program and the Redevelopment Fund, as amended.

Eligible Activities

Eligible activities under the Redevelopment Fund are those identified in Title I of the Housing and Community Development Act of 1974, as amended; and all eligible activities under DCA’s EIP, CDBG, and CDBG Loan Guarantee (Section 108) program. Activities are eligible to the extent that the funded activity meets the slum or blight national objective. When justified by benefits or need, the Commissioner of DCA may approve projects on a case by case basis based on any CDBG program national objective. Proposed activities must be based on firm written commitments from local governments and eligible subrecipients. NOTE: For the Redevelopment Fund, the term "sub-recipient" may generally be interpreted as a business or corporation. However, in cases where Redevelopment Funds are to be loaned to or

passed through a local development authority, the development authority itself would also be a "sub-recipient" subject to the same rules and regulations as a benefiting business or corporation.

Funding

\$1,500,000 or three percent (3%) (whichever is greater) from each federal fiscal year's allocation to DCA for the CDBG Program will be set-aside for this program.

Funds remaining in the set-aside at the end of the fiscal year may be returned to an "active status" and may be used to fund Redevelopment Fund applications under a subsequent fiscal year or transferred to any of the other funding categories or for state administration, subject to the limitations of the Housing and Community Development Act.

Certain Redevelopment Fund activities may generate program income that may be returned to the Department in accordance with the provisions contained in 24 CFR Part 570.489(e) and (f). Any Redevelopment Fund program income returned to the Department will be held in a separate state revolving loan fund account that will be established to support Redevelopment Fund activities. The state revolving loan fund's administrative and eligibility requirements are identical in all respects to those for the Redevelopment Fund set-aside; however, any program income in the revolving fund will be disbursed before and prior to any funds from the Redevelopment set-aside.

Grant Amount

The grant amount is up to \$500,000. In cases of projects with exceptional public benefits or need, the Commissioner of DCA may raise the allowable grant amount.

Application Procedures

The application procedure for the Redevelopment Fund Program includes an initial project assessment and application phase. Local governments may submit applications for consideration at any time regardless of whether an initial project assessment has been approved. The purpose of the initial project assessment is to determine eligibility of a proposed project and the possible competitiveness under the funding criteria outlined below. While an initial assessment is not required, DCA strongly encourages potential applicants to contact DCA to arrange an initial project assessment meeting prior to submitting an application.

Applications may be submitted individually by one unit of general-purpose local government, or jointly, by two (2) or more units of general-purpose local government. Joint applications must contain a copy of the Cooperating Agreement entered into by the cooperating units of government. The Agreement should designate the unit of local government that will serve as lead applicant. DCA strongly encourages potential applicants to contact DCA to arrange an initial project assessment meeting prior to submitting an application.

The purpose of the initial project assessment process is to evaluate a proposed project to determine if the proposal meets the funding threshold outlined below.

Applications for the Redevelopment Fund must be submitted in conformance with the format and applicable instructions specified by DCA.

Rating and Review Procedure

Applications will be rated and points awarded based on the following point system:

Factor	Maximum Points
1. Demographic Need	120
2. Project Feasibility	210
3. Project Strategy and Innovation	240
4. Leverage of Additional Resources	30
Total Maximum Points	600

In order to be funded, an application must achieve a minimum score of 425.

Rating and Review Criteria

Redevelopment Fund applications will be rated and scored against each of the following factors:

Factor 1: Demographic Need

Demographic Need points will be calculated by DCA based on three factors:

- 1) Absolute number of people in poverty: Applicants will be compared in terms of the number of persons whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant and multiplying by 40.
- 2) Percent of people in poverty: Applicants will be compared in terms of the percentage of population below the poverty level. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant and multiplying by 40.
- 3) Per capita income: Applicants will be compared in terms of their per capita income. Scores will be obtained by dividing each applicant's per capita income into the lowest per capita income of any applicant and multiplying by 40.

Submission of data with respect to “Demographic Need” is not required. The number and percentage of persons in poverty will be based on the most recent Census data that is consistent as of the same point of time for all applicants. Per capita income will be based on the most recent available data that is consistent as of the same point of time for all applicants.

For purposes of comparing data, applicants shall be divided into two groups: Cities and Counties. Joint applicants comprised of all cities shall be assigned to the city group and joint applicants including one or more counties shall be assigned to the county group.

Factor 2: Feasibility

Feasibility points will be based on an analysis of how each application addresses the following factors: eligibility of proposed activity; reasonableness of cost; compliance with applicable state and federal laws; project timetables; confirmation of all required resources; completeness of proposed plans and specifications; reasonableness of any sub-recipient’s proposed business plan(s) and financial projections; reasonableness of any site clean-up proposal and plan; and conformance with applicable underwriting and review requirements contained in 24 CFR Part 570. Points for feasibility will be awarded by a DCA staff review panel as follows:

Level One (Poor)	-0-
Level Two (Fair)	52.5
Level Three (Good)	105.0
Level Four (Very Good)	157.5
Level Five (Excellent)	210.0

Factor 3: Strategy

Strategy points will be based on the following factors: an analysis of the severity of need; documentation that a project’s public benefits will exceed project costs; documentation that the proposed strategy meets the eligibility criteria and a national objective of the CDBG program; documentation that the project complies with all local ordinances, state law and state regulation. Points will be awarded by a DCA staff review panel as follows:

Level One (Poor)	-0-
Level Two (Fair)	60.0
Level Three (Good)	120.0
Level Four (Very Good)	180.0
Level Five (Excellent)	240.0

Factor 4: Leverage

Leverage points will be awarded based on a firm commitment of additional resources directly related to the project, including capital costs and new funds for operation of any proposed program(s). The “leverage ratio” of other private or public funds will be the criterion considered. A minimum leverage ratio of 1 to 1 must be documented

in order to receive points under this criterion. A “reasonable” value must be assigned to donated and “in-kind” items. The leverage score will be calculated based on the total value of leverage for each applicant. Applications with no leverage will receive no points. Points will be awarded by a DCA staff review panel as follows:

Level One (Poor)	-0-
Level Two (Fair)	7.5
Level Three (Good)	15.0
Level Four (Very Good)	22.5
Level Five (Excellent)	30.0

The Immediate Threat and Danger Program

The Immediate Threat and Danger Program is intended to respond to events or situations which have a particular urgency and uniqueness which adversely affect or impact the health or welfare of the community and its citizens and where other financial resources are not available to meet such need. To be considered, the event or situation must have a sense of urgency and be of recent origin or have recently become urgent. Recent origin is defined as a condition that has developed or become critical generally within 18 months of application. Ample description of the cause of the threat and probable ramifications must be provided. Grant amounts under this program generally cannot exceed \$50,000.

Generally, a grant awarded under this program cannot be more than 50% of the project cost. The applicant (local government) must provide at least 10% of the project cost. These requirements may be waived in extraordinary circumstances. In case of a "major disaster," the Commissioner will determine the extent of DCA involvement. The Commissioner may waive the maximum grant amount and other requirements in case of a "major disaster."

Immediate Threat and Danger Application and Review Procedures

Applications can be submitted at any time and funds will be awarded to eligible applicants who meet the threshold described above, as long as funds remain in the set-aside amount. Applications must include a certification that other financial resources are not available to meet the identified needs; the situation poses a serious and immediate threat, and identifies the other sources of project funding.

Upon receipt of a request for assistance, DCA staff will review the application for completeness and degree of urgency. Staff may visit the locality to inspect the problem cited by the applicant and may consult with other appropriate state, federal or local agencies to determine the extent of the threat prior to funding decisions. After staff recommendations, the Commissioner, using the same criteria and based on staff recommendations, will approve or deny the request and transmit the decision to the local government.

CDBG Program Income Policy

Locally generated program income is generally retained at the local level and must be utilized to continue the same activity from which they were derived, in accordance with the Housing and Community Development Act, as amended and HUD regulations.

The section above describing the Special Provisions for the Employment Incentive Program discusses situations in which local RLF assets created by the EIP Program may be returned to the state. Any assets so returned will be added to the state's existing CDBG allocation for the regular competition, used for CDBG Loan Guarantee Program, used for the Redevelopment Fund, or used to capitalize a statewide RLF used to fund additional economic and community development projects.

HUD Reallocated and State Recaptured Funds

HUD reallocated funds are those funds that HUD has recaptured from direct HUD funded grantees and reallocated to the State. State recaptured funds are funds the State receives back from a State CDBG Recipient because of a CDBG deobligation or termination.

Any such funds received by the State will be distributed by the State in the same manner as regular CDBG funds. At the discretion of the Commissioner they may be used to fund additional regular competition projects, for any of the set-aside programs, for the CDBG Loan Guarantee Program, or for State Administration, subject to the limitations set of the Housing and Community Development Act, as amended and this Plan.

Reallocation of Remaining Funds

In the event 2008 Program Year Funds set-aside for the Regular Competition, the Redevelopment Fund, the Employment Incentive Program (EIP), or the Immediate Threat and Danger Program are not awarded by the end of the fiscal year, they may be utilized for funding additional regular competition grants, Redevelopment Fund, EIP grants, the Immediate Threat and Danger grants, or for State Administration, subject to the limitations of the Housing and Community Development Act, as amended.

Allocation of CDBG Funds: 2008 Program Year

The following table presents the allocation of FFY2008 CDBG funds.

FFY2008 Anticipated Funding and Allocation of CDBG Funds

Award From HUD:		<u>\$40,055,023</u>
Less Set-Aside For:	State Administration	\$915,896
	Immediate Threat & Danger Program	\$500,000
	The Redevelopment Fund	\$1,500,000
	Employment Incentive Program	\$7,000,000

	Technical Assistance	\$407,948
Remainder:	Available for Regular Competition	\$29,731,179

CDBG Loan Guarantee Program (Section 108 Program)

The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development-financing tool authorized under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended. The program is a method of assisting non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee. In order to be eligible a project must meet all applicable CDBG requirements and result in significant employment and/or benefit for low and moderate income persons. Projects that are eligible for financing under existing federal, state, regional or local programs will generally not be considered for guarantee assistance unless the programs would fail to fully meet a project’s need.

Unlike the traditional CDBG or EIP Program, the Section 108 Program does not operate through assistance from the Department of Community Affairs (DCA). Rather, funds are raised through DCA’s “Pledge of Grants” to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a State pledges its future CDBG funds as the ultimate repayment source should a Section 108 loan default. The State’s participation in the Section 108 program does not involve a pledge of Georgia’s full faith and credit nor does it commit any funding to the local government. HUD makes the ultimate approval or denial of the federal guarantee.

Since CDBG funds are an essential and critical resource for Georgia’s non-entitlement local governments, DCA will use conservative rating, selection and underwriting criteria in evaluating requests for the State’s concurrence and Pledge of Grants. Only those projects that DCA determines can generate sufficient revenue from project resources to debt service all obligations will be competitive under the State’s Section 108 rating and selection system.

Maximum Loan Guarantee Amount:

The maximum Loan Guarantee amount is \$5,000,000. In the interest of limiting exposure and promoting a diversified portfolio, DCA reserves the right to limit the amounts “pledged” to any one unit of local government or business interest.

Total Funds Available

DCA may set-aside a multi-year, cumulative total of up to twenty percent (20%) of its current and future CDBG allocations plus any CDBG program income for Pledge of Grants that will be used as security for notes and other obligations issued by units of non-entitlement local government pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended.

Projects that would provide extraordinary public benefit, job creation, and private investment, the DCA Board of Directors may approve allocation and loan amounts that exceed the twenty percent (20%) set-aside and/or maximum loan guarantee amounts. However, in no event may the amounts pledged exceed the limits contained in CFR Part 570.705(a) or up to five (5) times the amount of its last CDBG grant less the amounts of any unpaid balances previously guaranteed.

These Pledge of Grants do not immediately reduce the State's non-entitlement CDBG allocations, but rather create an obligation on the part of the State to use its CDBG funds to make payments on behalf of local governments that default on their loan payments to note holders. For any notes backed by the State's Pledges, DCA will require appropriate covenants that transfer an appropriate share of the risk to the local government and sub-recipient business.

Soft Costs and Fees

Local governments interested in obtaining Section 108 financing must cover their own application preparation and administration costs in order to be competitive. Certain underwriting and issuance costs required by HUD in order to participate in the program are allowable and will not affect an application's competitiveness; however, all "soft costs" not necessary to cover HUD required underwriting and issuance costs are not eligible for inclusion under Section 108 financing and must be paid from non-Section 108 sources. Limited technical assistance will be available from DCA on the preparation of a pre-application and application.

Eligible Activities

Eligible activities under the Section 108 program are those identified in 24 CFR Part 570.703 which include (but are not limited to): (a) Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development purposes; (b) Rehabilitation of real property owned or acquired by the public entity or its designated public agency; (c) Payment of interest on obligations guaranteed under the 108 program; (d) Clearance, demolition and removal, including movement of structures to other sites, of buildings and improvements on real property acquired or rehabilitated pursuant to paragraphs (a) and (b) of this section; (e) Site preparation, including construction, reconstruction, or installation of public and other site improvements, utilities, or facilities (other than buildings), which is related to the redevelopment or use of the real property acquired or rehabilitated pursuant to activities a and b of this section, or for an economic development purpose; (f) Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt obligations under the 108 program; (g) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit sub-recipients; (h) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where

the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in CFR Part 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods. (i) A debt service reserve to be used in accordance with requirements specified in the contract entered into pursuant to CFR Part 570.705(b)(1); and (j) Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), public streets, sidewalks, and other site improvements and public utilities.

For each activity funded under the 108 Program, at least seventy percent (70%) of all proposed beneficiaries and/or jobs to be created or retained as a result of the 108 project must be documented to be created for and able to be "taken by" or retained by persons defined as low and moderate income by DCA. Before project closeout, at least 70% of all jobs created must be documented to have been "taken by" persons defined as low and moderate income.

Projects that would provide extraordinary public benefit, job creation, and private investment, the Department may approve a slightly reduced low and moderate income benefit threshold. However, in no event may a specific project's low and moderate income benefit level fall below fifty-one (51%) or a level that the Department determines could cause the State to fall below the mandated program-wide low and moderate income benefit levels contained at CFR Part 570.484

Application Procedures

Local governments interested in applying to HUD for a loan guarantee must first apply to DCA in order to obtain the State's concurrence and Pledge of Grants.

The application procedure for the Section 108 Program includes a pre-application and final application phase. Final applications may only be submitted following a written invitation from DCA. The purpose of the pre-application will be to underwrite, evaluate and score a proposed project to determine if the proposed project meets the requirements for the State's concurrence and Pledge of Grants. The purpose of the final application will be for DCA to approve the final form of the local government's application to HUD and negotiate any local certifications, credit enhancements and other understandings required as a condition of the State's Pledge of Grants approval.

Local governments may submit pre-applications for consideration at any time. Pre-applications and Applications may be submitted individually by one unit of general-purpose local government, or jointly, by two (2) or more units of general-purpose local government. Joint submissions must contain a copy of the Cooperating Agreement entered into by the cooperating units of government. The Agreement should designate the unit of local government that will serve as lead applicant.

Pre-applications and applications for the 108 program must be submitted in conformance with the format and applicable instructions specified by DCA Section 108 pre-application and application manuals.

Rating and Selection Process

- a) Upon receipt of a pre-application under this program, staff will review the pre-application for completeness and for evaluation against the various rating and selection factors.
- b) For purposes of this program, the rating and selection factors shall be those specified in this section and any additional and/or supplemental information, data, analyses, documentation, commitments, assurances, etc. as may be required or requested by DCA for purposes of evaluating, rating, and selecting applicants under this program. Applications that contain insufficient information or documentation to be evaluated may be returned to the locality without further review.
- c) The staff may conduct site visits and hold discussions with applicants and proposed sub-recipients for the purposes of confirming and evaluating information contained in the pre-application or application. The staff may consult with other appropriate government and private entities in the course of reviewing and evaluating information contained in pre-applications and applications.
- d) The scores obtained for the various selection factors will be totaled and only those applicants with scores of at least 325 points will be considered for a Pledge of Grants.

Selection System for Section 108 Applications

Section 108 Applications will be rated and scored against each of the following factors:

Review Factors	Maximum Points Available
Demographic Need	90 points
Program Feasibility	120 points
Program Impact	120 points
Program Strategy	120 points
<u>Bonus (for Credit Enhancement)</u>	<u>25 points</u>
Total Available Points	475 points

a) Demographic Need (90 points)

- 1) Absolute Number of People in Poverty (30 points)
 All eligible local governments will be compared in terms of the absolute number of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government’s absolute number of persons in poverty by the

greatest number of persons in poverty of any eligible local government and multiplying by 30.

2) Percent of People in Poverty (30 points)

All eligible local governments will be compared in terms of the percentage of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government's percentage of persons in poverty by the highest percentage of persons in poverty of any eligible local government and multiplying by 30.

3) Per Capita Income (30 points)

All eligible local governments will be compared in terms of their per capita income. Individual scores will be obtained by dividing each government's per capita income into the lowest per capita income of any eligible local government and multiplying by 30.

Demographic scores will be based on the latest available data, consistent as of the same point in time for each factor. Scores will be based on county data.

b) Program Feasibility (120 points)

The following factors will be considered:

- 1) Local government's financial condition?
- 2) Local social-economic conditions and need?
- 3) Organizational status of development agency or sub-recipient business?
 - i) Reputable history for business and all related entities?
 - ii) Credit History?
 - iii) Litigation?
 - iv) Government Findings / Sanctions?, etc.
- 4) Is the proposed business or development concept/product/service proven or does the proposal represent an untried business model?
- 5) Does the proposed Section 108 investment/purpose contain the basis for its repayment?
- 6) Is the development agency's or sub-recipient business' historical performance and standing secure in the following areas: capital management, debt capacity, management character & experience, collateral value, economic and market conditions?
- 7) Is the development agency's or sub-recipient business' proposed development or business plan reasonable and does it use reasonable assumptions in the following areas: capital investment; debt service capacity, management ability,

- collateral value, industry analysis, response to future economic and market conditions?
- 8) (real-estate projects) Does the proposed development team have a successful record of accomplishment? Developer? Contractor? Architect? Leasing Agent? Property Manager? Syndicator? Construction Manager? Interim and Permanent Lenders?
 - 9) Does the proposed project comply with the CDBG regulations and guidelines for “appropriateness”, underwriting, and public benefit?
 - 10) Are all project costs verified through either original source documents, architectural and engineering reports, or a MAI or other certified appraisal acceptable to DCA?
 - 11) Is the balance of all financing sources verified and committed?
 - 12) Is all required real-estate available, have clear title, and under proper option?
 - 13) Is the development agency’s or sub-recipient’s investment and job commitment letter in the proper format?
 - 14) Are all needed architectural plans, engineering reports, plans, and specifications completed and approved by appropriate authorities?
 - 15) Can the project be carried out in accordance with all applicable federal, state, and local law, regulation and permitting requirements?

Feasibility points will be awarded by a DCA staff review panel, in accordance with the levels below, based on how well the applicant addresses the impact factors:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

c) Program Impact (120 points)

The following factors will be considered:

- 1) Number of jobs created and/or retained;
- 2) Section 108 cost per job;
- 3) Availability of jobs to low/mod income persons;
- 4) Quality of jobs and employee benefits (health, retirement, leave, etc.);
- 5) Project's impact on local unemployment rates;
- 6) (if applicable) Project’s impact on blighting conditions that threaten public health and safety or impede economic development.

Points for impact will be awarded by a staff review panel, in accordance with the levels below, based on how well the applicant addresses the impact factors:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

d) Program Strategy (120 points)

The following factors will be considered:

- 1) Documentation that the proposed project is not eligible under existing federal, state, regional or local economic development financing programs or else the programs would fail to fully meet the project's need?
- 2) Documentation that the proposed project represents a unique, large-scale project that will further the objectives of Title I of the Housing and Community Development Act.
- 3) Documentation that the local government will assign certain responsibilities under 108 to the State to insure efficient credit monitoring, sub-recipient loan servicing and 108 loan payments.
- 4) The ratio of private equity and investment to Section 108 funds?
- 5) Documentation that the sub-recipient business or development agency will generate sufficient revenue and that sufficient credit enhancements are in place to reasonably insure that the Section 108 loan can be amortized without any risk to future CDBG allocations?
- 6) Documentation that the public benefits to be achieved is reasonable and to the extent, practicable Section 108 funds will not substitute for other available funds?
- 7) Adequacy of financing strategy?
 - Repayment ability?
 - Rate?
 - Term (maximum consideration for terms less than 10 years)?
 - Type (maximum consideration for permanent financing. Users that provide their own construction financing will be most competitive).
 - Collateral and Security?
- 8) Validity of sub-recipient's commitment to fulfill hiring and investment commitments?
- 9) Project's conformance to: i) local and regional plans; ii) service delivery strategy and iii) the Georgia Planning Act;

- 10) Project's conformance to federal, state, and local laws and regulations; and
- 11) Relationship to overall objectives of the Section 108 and CDBG Program, including the extent of benefit to persons of low and moderate income.

Strategy points will be awarded by a staff review panel, in accordance with the levels below, based on how well the applicant addresses the strategy factors:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

e) Bonus for Pledge of Assets and/or Credit Enhancement (25 points)

Localities, which have a local Revolving Loan fund (RLF) capitalized with EIP or CDBG proceeds, federal Economic Development Initiative (EDI) or Brownfield (BEDI) grants or other assets, may, at their discretion, pledge those assets as a "loan loss reserve" or other security or credit enhancement in order to boost the competitiveness of their 108 application. Likewise, borrowers may also receive bonus points for agreeing to provide other credit enhancements such as stand-by letters of credit, guarantees or other recourse instruments. The consideration will consist of a maximum of an extra 25 points for use in the State's Section 108 "Pledge of Grants" decision.

Invitation to Submit a Final Application

The points received by a pre-applicant on the rating factors will be totaled. In order to receive an invitation to submit a final application, a pre-application must receive at least 325 points. In cases where fundable pre-applications exceed available funds, the pre-applicant with the highest number of jobs benefiting low and moderate income persons will be given priority.

Final Application Funding Determination

- a) Final applications are invited only for those projects that meet the pre-application threshold requirements;
- b) The locality submitting the Section 108 final application must hold public hearing(s) in accordance with the requirements of HUD and Georgia's CDBG program;
- c) Final applications for the Section 108 program must be submitted in conformance with CFR Part 570.704 and the format and applicable instructions specified by DCA and HUD;
- d) The final application review will ensure that all appropriate funding criteria have been considered, and the overall benefits to be achieved warrant the State's concurrence, acceptance of the responsibilities outlined in CFR Part 570.710 and "Pledge of Grants";

- e) Upon approval by DCA, the Final Application will be placed in its final form by the applicant local government and submitted to HUD for their review with assistance from DCA. It should be noted, that DCA reserves the right to ask local governments to submit their applications without the State's Pledge of Grants in cases where the final security requirements or other issues are unknown. In such cases, the State's Pledge of Grants would be forthcoming to HUD upon the successful negotiation of a security arrangement and repayment schedule acceptable to the State.

CDBG Loan Guarantee Performance Thresholds

Recipients of prior CDBG funding with outstanding audit, monitoring findings and/or other program exceptions, which involve a violation of federal, state or local law or regulation and/or have failed to substantially meet their proposed accomplishments in their current CDBG or EIP projects are ineligible for 108 consideration. Local governments and businesses that default on a loan payment under the 108 program shall be sanctioned and immediately become ineligible to compete for or receive any DCA grant or loan until the State is "made whole" in regards to its CDBG loss. In addition, applicants must comply with their reporting under the Georgia Planning Act, the Service Delivery Strategy Law (H.B. 489), the Georgia Solid Waste Management Act, the Local Governments Audit Act and the DCA Local Government Finance Report requirements

Float Funded Activities

The State does not propose to provide CDBG Float-funded activities during SFY2009 using an allocation of FFY2008 funds. However, if the State proposes such a activity the appropriate program will be implemented in accordance with applicable HUD regulations found at 24 CFR 92.209-92.211. A Substantial Amendment to the SFY2009 Consolidated Plan will also be issued to insure adequate opportunity for public comment.

K. GEORGIA'S PROPOSED DISTRIBUTION METHOD AND GEOGRAPHIC ALLOCATION OF ESG FUNDS

Program Structure

The State anticipates that it will receive \$2,199,724 in FFY2008 Emergency Shelter Grant (ESG) program funds from HUD. The Housing Trust Fund for the Homeless (HTF) will provide the State's 50% non-federal funding match required by the ESG program regulations. The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's ESG allocation. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this ESG allocation.

The purpose of the ESG program is to provide shelter and essential services to homeless persons throughout the state by making HTF funds and Federal ESG funds

available to nonprofit organizations (including community and faith-based organization) and local government entities operating homeless housing and/or providing services to the homeless. This program is principally designed to be a first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. The secondary purpose of this program is to prevent the homelessness of persons.

Local units of government are eligible to apply. To the extent determined under State law by HTF and DCA, private, secular, or faith-based nonprofit organizations are also eligible to apply for funds. Nonprofit organizations must demonstrate collaboration with local mainstream service providers and local homeless provider groups. Nonprofits must also participate in continuum of care planning appropriate to the jurisdiction where their activities are located to the satisfaction of those jurisdiction(s).

According to Federal law and regulation, the term “*private nonprofit organization*” means a secular or religious organization described in section 501(c) of Title 26 that is exempt from taxation under Subtitle A, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance in a manner that is free from religious influences.

According to State law, ‘*nonprofit organization*’ means any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; is not organized primarily for profit; and uses its net proceeds to maintain, improve, or expand its operations. The term nonprofit organization includes nonprofit institutions of higher education and hospitals.

While all programs must be provided in a manner that is free from religious influences, it should be noted that the Georgia Constitution allows the State Housing Trust Fund for the Homeless to expend funds “...for programs of purely public charity for the homeless, including programs involving the participation of churches and religious institutions ...”

Under State law, DCA must collect and evaluate organizational and financial information from nonprofit organizations in order to establish the capacity of the nonprofit organization prior to making an award, and to report funding amounts to the State Department of Audits.

Applicants must comply with all DCA programs and grant agreements to apply for and receive funds under this program.

The following activities are eligible for funding:

Emergency Shelter Operations and Services provided at (one or more) emergency shelters reserved exclusively for “homeless persons,” as defined HUD. Emergency Shelter Operations and Services shall receive the highest priority for funding. The term “emergency shelter” means a form of supportive housing in which a structure, or a clearly identifiable portion of a structure, meets the following criteria:

- 1) Serves the immediate needs of all homeless, unsheltered persons either on site or in cooperation with other shelter providers;
- 2) Stays may or may not include consecutive nights and generally do not exceed 30 consecutive days;
- 3) Typically, but not always, serves hard-to-reach homeless persons who are in and out of shelter, often suffer from mental illness, typically live on the streets, in the woods or in places not meant for human habitation, and have been unable or unwilling to participate in supportive services;
- 4) Participates in coordinated outreach, intake, referral and case management systems within the continuum of care in order to provide, in conjunction with other providers, appropriate housing and supportive services to better enable homeless persons to achieve success and end their homelessness.
- 5) Provides 24-hour services either on site or in conjunction with other homeless service providers;
- 6) Serves as a community resource and outreach center for difficult to serve homeless persons by providing 24-hour services access or referral for all who are in danger due to minor illness that do not require professional care, those in danger due to weather conditions, those with immediate needs (which may include food, clothing, etc., but some homeless persons, may not include 'shelter') or for any other likely reason, as determined by the participating continuum.

An emergency shelter (depending upon its role in the Continuum of Care) may also provide supportive services to eligible persons who are not residents on a drop-in basis. An emergency shelter recognizes that for many homeless persons, the transition to permanent housing is best made in stages, starting with a small, highly supportive environment where an individual can feel at ease, out of danger, and subject to limited supportive service and occupancy requirements. While all participants may be required to comply with "house rules," and limitations may be placed upon lengths of stay, emergency shelters typically do not require full participation in services (other than intake and case management) and referrals as a first condition of occupancy. Emergency shelters usually serve as an entry point to the service system and provide first access to basic services such as outreach, referral, food, clothing, bathing facilities, telephones, storage space, and mailing addresses. While fees may be collected for housing, the typically emergency shelter generates very little, if any, revenue from clients.

Eligible "Emergency Shelter Operations" activities include repairs (less than \$5,000), maintenance, operations, rent, security, fuel, equipment, insurance, utilities, food and furnishings. Staff salaries (including fringe benefits) attributable to operations (excluding maintenance and security salary costs) but not devoted to client services is limited to not more than 10% of the grant amount.

Eligible services that may be provided in conjunction with emergency shelter operations include, but are not limited to, activities such as permanent housing counseling or placement, meals, food/clothing/furniture distribution, medical health

treatment, mental health treatment, transportation, counseling, case management (including assistance with access to other services or programs), child care, and other services essential for achieving independent living. Services may not exceed 30% of the grant amount. Salaries and associated costs for services are only eligible for those persons who provide direct client services for the organization. Persons who perform general administrative duties may not be compensated for service-related functions.

Transitional Housing Operations and Services provided at (one or more) transitional facilities reserved exclusively for homeless persons, as defined by HUD. Stays in transitional housing generally follow a successful ‘shelter’ stay, particularly when mental illness, substance abuse, and/or disability are contributing factors to homelessness. Transitional housing stays range from 30 days to 2 years dependent upon the housing and supportive service needs of the client, and the programs offered by the supportive housing agency.

Eligible “Operations” activities include repairs (generally less than \$5,000), maintenance, operations, rent, security, fuel, equipment, insurance, utilities, food and furnishings. Staff salaries (including fringe benefits) attributable to operations (excluding maintenance and security salary costs) but not devoted to client services is limited to not more than 10% of the grant amount.

Eligible services that may be provided in conjunction with transitional operations include, but are not limited to, activities such as permanent housing counseling or placement, meals, food/clothing/furniture distribution, medical health treatment, mental health treatment, transportation, counseling, case management (including assistance with access to other services or programs), child care, and other services essential for achieving independent living. Services may not exceed 30% of the grant amount. Salaries and associated costs for services are only eligible for those persons who provide direct client services for the organization. Persons who perform general administrative duties may not be compensated for service-related functions.

Essential Services to homeless persons. To receive a grant for essential services, such services must be provided by an organization with demonstrated capability to provide professional services in a coordinated manner with mainstream providers and other homeless service providers in their service areas. Essential service grants are generally limited to organizations that either do not house clients, or those who house clients but have limited access to all necessary services (as determined by DCA). Only staff time devoted to client service is eligible. Persons who perform general administrative duties (Executive Director, Fundraising Staff, Bookkeepers, etc.) may not be compensated for service-related functions.

Eligible services activities include but are not limited to, activities such as permanent housing counseling or placement, meals, food/clothing/furniture distribution, medical health treatment, mental health treatment, transportation, counseling, case management (including assistance with access to other services or programs), child care, and other services essential for achieving independent living. Services may not exceed 30% of the grant amount. Salaries and associated costs for services are only

eligible for those persons who provide direct client services for the organization. Persons who perform general administrative duties may not be compensated for service-related functions.

Homeless Prevention activities or programs designed to prevent the incidence of homelessness among eligible persons (not homeless, see below) to include: (1) Short-term subsidies to defray rent or mortgage, and utility arrearages for families that have received eviction or utility termination notices; (2) payments to prevent foreclosure on a home; and (3) Security deposits or first month's rent to permit a family to move if circumstances dictate. In larger continuums where these programs are limited in the mainstream, DCA may consider "legal assistance" programs to include (1) mediation programs for landlord-tenant disputes; and (2) legal services programs for the representation of indigent tenants in eviction proceedings. DCA may also consider other innovative programs and activities designed to prevent the incidence of homelessness. Persons who perform general administrative duties may not be compensated for prevention-related functions.

Eligible persons for prevention activities to include those who have received eviction notices or notices of termination of utility services if:

- the inability of the family to make the required payments is due to a sudden reduction in income;
- the assistance is necessary to avoid the eviction, foreclosure or termination of services;
- there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; **AND**
- the assistance will not supplant funding for preexisting homelessness prevention activities from other sources.

Development -- to include acquisition, new construction, rehabilitation and/or renovation of facilities dedicated to exclusively house and/or serve persons who are homeless or persons who are in danger of becoming homeless. Applicant must identify a specific need for funds based on the project cost vs. anticipated sources of funding. Funding may be withdrawn if the project is initiated before formal agreements (loan agreement and security instruments) are in place. Current year priorities include facilities for emergency shelter and/or outreach services where adequate shelter or associated facilities and services do not exist. Second priority is family transitional housing where adequate facilities do not exist.

Technical Assistance -- to include funds for (1) the provision of technical assistance ("Best Practices") to other organizations and (2) regional "Homeless Resource Fairs and Workshops."

Regional Homeless Resource Fair and Coordination Workshop -- One lead organization in each of the 12 State Service Delivery Regions may receive funding to sponsor a 1 or 2 day workshop. Workshops or "Resource Fairs" are designed to facilitate understanding and cooperation among homeless service providers, homeless individuals and families, community leaders, volunteers, housing agencies,

funding agencies, human service agencies, ecumenical groups, and others with an interest in homeless issues. Fairs would offer a variety of opportunities for training and development.

Applicants may propose to develop a fair that meets the needs of their community. At a minimum, fairs should offer training sessions on topics such as regional homeless planning, funding, grant writing, case management, etc. Successful fairs have included large display areas in which participating agencies have distributed their literature and discussed the various housing and/or service opportunities sponsored by their organizations. All applicants must submit a proposed date and location for the fair. Regions are asked to work together to designate a single applicant. Requests under this category are expected to be less than or equal to \$3,000.

Local Unsheltered Homeless Counts for Balance of State Continuum of Care communities that do not have a HUD Consolidated Planning requirement -- requests for funds to off-set the expense of coordinating a local count, survey and/or focus groups with unsheltered persons. Applicant must follow DCA formats. Requests under this category are expected to be less than or equal to \$3,000.

General administration of the applicant agency is not an eligible ESG activity. Only “programs” are eligible. It is the intent of this program to make all activities eligible under Federal ESG regulations (24 CFR 576.21) eligible under this program to the extent practicable, subject to these funding priorities.

General funding limits are expected to be as follows: Emergency Shelter Operations - \$60,000 per facility; Transitional Housing Operations - \$30,000 per facility; Essential Services- \$30,000 per activity; Homeless Prevention - \$20,000 per program; Technical Assistance ≤ \$3,000 per activity; and Development - \$75,000 per organization.

Five percent (5%) of the Federal ESG allocation will be utilized for administrative costs of DCA, (\$109,986). Net Federal FFY2008 funds available to grantees under the HUD ESG Program are \$2,089,738. State HTF Commission funds available are estimated to be \$2,199,724, a combined total \$4,360,572. From this amount, a minimum of \$225,000 will be reserved for Development (acquisition and/or construction) applications received on or after July 1, 2008.

The Application Process

Applications will be solicited by means of a Notice of Funds Availability of State ESG Application Guidelines for the 2008-2009 Program Year. This notice will be mailed and/or e-mailed to all known homeless service and housing providers, local governments, and other interested parties. Regional workshops to discuss application requirements will be conducted by staff.

All homeless service and housing providers, local governments, faith-based organizations and other interested parties may apply subject to application

requirements. In SFY2008, faith-based organizations received 75 (of the 193) ESG grant awards. Faith-based organizations were awarded \$2,468,300 (50%) of the total ESG funds awarded.

Operations, Service, Prevention and Technical Assistance funding decisions and funding amounts will be based upon the following factors:

- ③ Extent to which program serves exclusively (100%) “homeless” persons;
- ③ For services, the degree to which the application demonstrates that mainstream services for transportation, childcare, mental health, addiction, etc. services are not available for the population to be served;
- ③ Consistency with local need, conformance to local plans, and service delivery strategy;
- ③ Extent to which proposal meets priorities outlined in the Continuum of Care Plan appropriate to the project;
- ③ Other funding for programs available to the applicant from Federal, State and local government sources (SHP, CJCC, DHR, CDBG, etc.);
- ③ Amount of funds requested, prior award amounts and prior utilization of funds;
- ③ Degree of compliance demonstrated during DCA monitoring visits or in desk audits;
- ③ Relative quality of housing or standards for services to be provided;
- ③ Amount of funds requested;
- ③ Participation in the State’s collaborative HMIS initiative (generally a prerequisite for stand alone “essential services” funding);
- ③ Level of service (numbers of persons, hours of service, etc.);
- ③ Standard costs for housing and services;
- ③ Value of applicant’s contributions (cash and in-kind).
- ③ The extent to which programs exclusively serve chronically homeless persons with (SSI eligible) disabilities who are within a continuum of assistance that offers permanent supportive housing; and,
- ③ The extent to which new beds will be provided through sub-agreements with “faith-based” or other service providers within the continuum of care.

Development (all acquisition, rehabilitation and/or new construction) funding decisions and funding amounts will be based upon the funding award factors listed above, as well as the following factors:

- ③ An application proposed within a community designated by DCA as a Signature Community and which proposes the development of a new homeless facility that is included as a part of the community housing strategy will receive a funding preference above all other applications submitted, provided that the application meets all funding criteria;
- ③ Availability of funds;
- ③ Current year priorities include new emergency shelter operations (beds) and/or outreach services. Secondary priority is family transitional;

- ③ The presence of a qualified project manager and management team;
- ③ Project planning...strategy and feasibility (short and long-term);
- ③ Degree of local government, mainstream service agency, and/or local coalition support based on local need;
- ③ Project readiness;
- ③ Other funds available to or raised by the applicant;
- ③ Amount of funds requested; and,
- ③ Degree of compliance demonstrated during DCA monitoring visits or in desk audits.

Funding decisions for all nonprofit agencies shall also be based upon the following factors: The complexity or nature of the request; Organizational development and capacity; The extent to which the organization operates under the authority of a diversified, involved, volunteer, community-based board of directors; Professional management; The consistency of the organization's identity or its mission to the provision of homeless or HIV/AIDS (as applicable) services; The extent to which the organization utilizes networks to avoid duplication of housing and services; Participation in appropriate Continuums of Care; Sound operating procedures, accounting policy and controls; and Organizational and financial policy, stability and capacity.

Provided that all contract conditions are met, payments (other than for 'development projects') will be made on a reimbursement basis. Payments for development projects may vary based on the Loan Agreement.

As a goal, applicants are expected to provide 60% of the cost of each operations or service activity utilizing other cash or in kind services or donations, unless total contributions for all programs are \$5,000 or less. A 25% matching-share is expected for participation in the development program. Any or all of these requirements may be waived on a case-by-case basis for urgent needs, start-up or other activities based upon applicant request and staff review.

Applications for operations, services, technical assistance, and HMIS funds (only) to cover the operating period of 2008-2009 funds available through the annual allocation process are due on April 21, 2008. Except for (1) development applications, and (2) applications authorized utilizing emergency set aside funds for new emergency shelter beds or associated services, applications received after the initial due date may be processed if funds are available, but generally not before October 1, 2008 or after January 1, 2009. Funding announcements are expected by June 30, 2008 for applications that are complete when submitted on or before expected the April 21, 2008 deadline.

The DCA Commissioner or staff designated by the Commissioner shall have the authority to make awards from funds allocated by HUD or reserved by the HTF Commission in concurrence with this program description.

Applications must be submitted on forms provided by DCA. The applicant must provide required certifications and provide all supporting documentation requested

by DCA. Each applicant must demonstrate to the satisfaction of DCA that it complies with Federal, State and local laws and regulations, and that it is capable of carrying out applicable programs. Ineligible applications will be returned unprocessed.

For housing and services agreements, awarded funds will generally cover the period beginning on July 1, 2008 and ending on June 30, 2009. Agreements for acquisition, construction or rehabilitation activities will require specific long-term commitments for continued service to homeless persons in accordance with HUD regulations.

Each participant must report periodically and annually on the actual units of service delivered the number of persons served, and any other program performance data requested by DCA. Participants must also meet Federal, State financial, and other reporting requirements.

In addition to all other federal, state and local laws and regulations, all activities must be implemented in full compliance with HUD ESG Program regulations published at 24 CFR § 576.

As per Federal regulations and Department of Community Affairs' policy, each applicant must obtain approval(s) from appropriate local government jurisdictions for each activity on formats prescribed by DCA. Documentation of approval should be included in the application.

In conjunction with entitlement communities, continuums of care, Pathways Community Network, and other partners throughout the State, DCA will continue to support agency level implementation and utilize the Homeless Management Information Systems (HMIS) via a HUD Supportive Housing Program (SHP) grant for statewide HMIS implementation. With the exception of organizations that exclusively serve victims of domestic violence, applicants with existing DCA awards using ESG, HOPWA and S+C funds must comply with the HMIS policy. It is periodically updated and posted on DCA's website.

Geographic Allocation

The State does not anticipate any funding set-asides for specific geographic areas of Georgia.

L. GEORGIA'S PROPOSED DISTRIBUTION METHOD AND GEOGRAPHIC ALLOCATION OF HOPWA FUNDS

PROPOSED DISTRIBUTION METHOD

Program Structure

The purpose of the HOPWA program is to provide resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of low income persons with acquired immunodeficiency (AIDS) and persons in their

family. Limited services may also be provided with HOPWA funds. HOPWA funds are typically sub-granted to nonprofit agencies within the communities. Typically, these agencies make their own rules for programs, if such rules are within the scope of HOPWA regulations and guidance from HUD. In Georgia, HUD provides formula funds to two (2) other government entities in addition to DCA.

The first and largest recipient in Georgia is the City of Atlanta. Atlanta receives a formula share for the Atlanta "Metropolitan Statistical Area" (MSA) and makes numerous sub-grants within twenty-eight (28) counties. Those counties include Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton. In the Atlanta MSA, Living Room performs intake and assessment, and assists people living with HIV/AIDS and their families or partners to access housing and service programs. For more information, contact Living Room at (404) 616-6332 or Ms. Mary Leslie at the City of Atlanta at (404) 330-6112 x5069.

The smallest recipient is the Augusta-Richmond County government. Augusta-Richmond County receives a formula share for four (4) Augusta MSA counties, including Burke, Columbia, McDuffie and Richmond. For more information on Augusta's programs, contact Ms. Adrian Small-Jones of Augusta-Richmond County at (706) 842-3085.

The State of Georgia, through the Georgia Department of Community Affairs (DCA), receives formula HOPWA funds for the balance of state (127 counties). DCA currently funds nine (9) regional programs. Sponsors and areas covered may be found at Appendix C.

The State will receive \$1,744,000 from HUD in FFY2008 Housing Opportunities for Persons with AIDS (HOPWA) program funds. The Georgia Housing and Finance Authority (GHFA) will be the recipient of the State's HOPWA allocation. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this HOPWA allocation.

Local government entities are eligible to apply for HOPWA funds. To the extent determined under State law by HTF and DCA, private, secular or faith-based nonprofit organizations are also eligible to apply for funds.

Eligible activities are those named in current HUD regulations (24 CFR 574.300) for the HOPWA program. Activities include, but are not limited to housing, housing or fair housing information, acquisition, rehabilitation, limited new construction, rental assistance (including shared housing), homelessness prevention, supportive services (to include health, mental health, assessment, drug and alcohol, day care, personal assistance, nutritional services, etc.), general case management, housing operating subsidies, and technical assistance. Generally, it is the intent of this program to make all activities eligible under Federal HOPWA regulations (24 CFR 574.300) eligible under this program, subject to the program purpose and eligible beneficiaries. Sponsor administrative costs are limited to 7% of the grant amount.

For operations and service activities (other than development), funding is generally less than \$225,000 per organization per year. For development activities that include acquisition, new construction and/or rehabilitation, assistance is generally limited to \$250,000 per project or organization. Subject to need or availability of funds, limits may be waived at the discretion of the Commissioner of the Department of Community Affairs.

For the HOPWA Program, the State has specified one-year housing goals. In SFY2009, the State expects 300 households to receive Short-term Rent, Mortgage, and Utility Assistance to prevent homelessness, 100 households to receive Tenant-based Rental Assistance, and 200 households to receive Facility-based Housing Assistance through the State's HOPWA Program. There are no housing units being developed at this time with capital funds.

The Application Process

Applications will be solicited by means of a Notice of Funds Availability of State HOPWA Application Guidelines for the 2008–2009 Program Year. This notice will be emailed and/or mailed to all known AIDS service and housing providers, local governments, and other interested parties.

Faith-based organizations have full access to the selection process. Several faith-based organizations have been awarded HOPWA funds for housing and services. In SFY2008, one faith-based organization (Union Mission, Inc. in Savannah) was awarded \$225,000 (13%) of the total HOPWA funds awarded for housing and services.

Applications must be submitted on forms provided by DCA. The applicant must provide required certifications and provide all supporting documentation requested by DCA. Each applicant must demonstrate to the satisfaction of DCA that it complies with Federal, State and local laws and regulations, and that it is capable of carrying out applicable programs. Ineligible applications will be returned unprocessed. Applications will be processed based on local need, conformance to local plans (if applicable), and service delivery strategy.

Applications for 2008-2009 funds are due on April 21, 2008. Applications received after the initial due date may be processed on a "funds available" basis.

Funding decisions and funding amounts will be based upon the following factors: The availability of other HOPWA providers within the service area; Consistency with local need, conformance to local plans, and service delivery strategy; Extent to which proposal meets priorities outlined in Continuum of Care Plan appropriate to the project; Other funding for programs available to the applicant from Federal, State and local government sources; Amount of funds requested, prior award amounts and prior utilization of funds; Degree of compliance demonstrated during DCA monitoring visits or in desk audits; Relative quality of housing or standards for services to be provided; Participation in the State's collaborative HMIS initiative (encouraged for HOPWA-only projects, but not "required"); Level of service

(numbers of persons, hours of service, etc.); Standard costs for housing and services; and Value of applicant's contributions (cash and in-kind). Development (acquisition, new construction and rehabilitation) funding decisions and funding amounts will be based upon the following factors: An application proposed within a community designated by DCA as a Signature Community and which proposes the development of a new homeless facility that is included as a part of the community housing strategy will receive a funding preference above all other applications submitted, provided that the application meets all funding criteria; Availability of funds; Current year priorities include new emergency shelter operations (beds) and/or outreach services. Secondary priority is family transitional; The presence of a qualified project manager and management team; Project planning- strategy and feasibility (short and long-term); Degree of local government, mainstream service agency, and/or local coalition support based on local need; Project readiness; Other funds available to or raised by the applicant; Amount of funds requested; and Degree of compliance demonstrated during DCA monitoring visits or in desk audits.

Each activity and its location must be approved by appropriate local government jurisdictions.

Funding determinations under the HOPWA program are made using "threshold" method for selecting grantees. Applicants must meet a capacity test, and funding decisions for all nonprofit agencies shall also be based upon the following factors: The complexity or nature of the request; Organizational development and capacity; The extent to which the organization operates under the authority of a diversified, involved, volunteer, community-based board of directors; Professional management; The consistency of the organization's identity or its mission to the provision of homeless or HIV/AIDS (as applicable) services; The extent to which the organization utilizes networks to avoid duplication of housing and services; Participation in appropriate Continuums of Care; Sound operating procedures, accounting policy and controls; and Organizational and financial policy, stability and capacity. An additional "threshold" measure applies under the HOPWA program. Under HOPWA, relative need is examined and new applicants are denied funding when they propose to duplicate services within a service area where HOPWA programs are already being carried out by eligible sponsors.

Funds will generally cover the period beginning on July 1, 2008 and ending on June 30, 2009. Agreements for development activities will require long-term commitments for continued service to HOPWA-eligible persons in accordance with HUD regulations.

If all contract conditions are met, payments to recipient organizations will be made on a reimbursement basis. Exceptions may be made on a case-by-case basis by DCA staff.

Each participant must report periodically and annually on the actual units of service delivered the number of persons served, and any other program performance data requested by DCA. Participants must also meet Federal, State financial, and other reporting requirements.

All activities must be conducted in full compliance with program regulations published at 24 CFR § 574, as well as all Federal, State and local laws and regulations.

Up to 3%, if the Federal HOPWA funds will be reserved for DCA's cost to administer the program. Net FFY2008 funds available under the HOPWA program have been determined to be around \$1,691,680. Additional allocations may be made from funds recaptured from prior year obligations. Funds available may be allocated prior to July 1, 2008, subject to this program description.

Geographic Allocation

For HOPWA, absent extremely unusual circumstances, as determined by the Georgia Department of Community Affairs, funding will be limited to programs located within the State's 127-county HUD-defined entitled area. This area excludes the 32 counties included within the Atlanta and Augusta entitlement areas.

TABLE 4 HOPWA ANNUAL HOUSING GOALS	
Program Year: SFY2009	Expected annual number of households to be provided housing through the use of HOPWA activities.
HOPWA ACTIVITIES:	
Short-term rent, Mortgage and utility assistance to prevent homelessness	300
Tenant-based rental assistance	100
Units provided in housing facilities that are being developed, leased or operated with HOPWA funds	200

Table 4 lists the State's one-year goals for SFY2009 for the use of HOPWA funds from any funding year or combined funding years and provides the number of households to be served through HOPWA activities. There are no housing units being developed at this time with capital funds.

M. GEORGIA'S ACTIVITIES TO MEET THE STATE'S HOUSING PRIORITIES AND OBJECTIVES

The State plans to accomplish the following production summarized in Table 5 during SFY2009 using its allocation of federal HOME, ADDI, CDBG, ESG and HOPWA monies (“Consolidated Funds”).

Table 5 STATE ANNUAL HOUSING COMPLETION GOALS (HUD Table 3B)

Grantee Name: Georgia Program Year: SFY 2009	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215 Only)						
Acquisition of existing units	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	235		<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units	192		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Rental	427		X	X	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215 Only)						
Acquisition of existing units	0		<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units	88		<input type="checkbox"/>	X		
Rehabilitation of existing units	186		X	X		
Homebuyer Assistance	1,043		X	X		<input type="checkbox"/>
Total Sec. 215 Affordable Owner	1,317		X	X	<input type="checkbox"/>	<input type="checkbox"/>
COMBINED RENTAL AND OWNER GOALS (SEC. 215 Only)						

Acquisition of existing units	0		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	323		<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units	378		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance	1,043		X	X		<input type="checkbox"/>
Total Sec. 215 Affordable Housing*	1,744		X	X	<input type="checkbox"/>	<input type="checkbox"/>
BENEFICIARY GOALS (SEC.215)						
Homeless households	57		X	X	X	X
...Non-homeless households	964		X	X	<input type="checkbox"/>	<input type="checkbox"/>
...Special needs households	723		X	X	<input type="checkbox"/>	X
Total Sec. 215 Beneficiaries*	1,744		X	X	X	X
OVERALL HOUSING GOALS						
Sec. 215 + Other Affordable Housing						
Annual Rental Housing Goal	427		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	1,317		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Total Overall Housing Goal	1,744		X	X	<input type="checkbox"/>	<input type="checkbox"/>

* The total amounts for “Combined Rental and Owner Goals” and “Beneficiary Goals “should be the same number.

The State’s Five Year Consolidated Plan outlined specific Priorities and Objectives for the State. Under each priority and objective, specific actions are identified that are expected to be completed using funds made available to the State, including: Consolidated Funds, other HUD assistance, State monies, federal and state Tax Credits, and bond revenue. However, the production figures proposed to quantify the State’s objectives are based on the use of HUD related funds, including federal Consolidated Funds, State funds used as match to the HOME and ESG programs, Program Income to the HOME program, Housing Counseling, Housing Choice Vouchers and Shelter Plus Care programs. In total, these resources represent all of the resources made available to the State as a result of HUD funding.

PRIORITY: To increase the number of Georgia’s low and moderate income households who have obtained affordable, rental housing which is free of overcrowded and structurally substandard conditions.

Objective #1: **Construct** affordable, rental housing units for 71 extremely low, 98 low, and 66 moderate income households.

Activity #1(A): Implement Georgia's HOME Rental Housing Loan program to provide loans to for-profit and nonprofit housing sponsors, including CHDOs, to

construct new or rehabilitate existing rental housing.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #1(B):

Implement Georgia's Permanent Supportive Housing program to provide the capital resources and rental assistance necessary for sustainable supportive housing to assist Georgia's efforts to implement de-institutionalization strategies and further promote Georgia's goal of reducing and eliminating homelessness through the production of affordable permanent rental housing with accompanying supportive services for Homeless Tenants

Consolidated Funds: HOME;

Other Funds: State Housing Trust Fund for the Homeless; HOME Program Income.

Activity #1(C):

Implement Georgia's CHDO Predevelopment Loan program, which provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing housing developments using DCA's HOME Rental Housing Loan, and Permanent Supportive Housing programs.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #1(D):

Implement Georgia's Low Income Housing Tax Credit program which provides federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy by low income tenants.

Other Funds: Low Income Housing Tax Credit allocation; Georgia Housing Tax Credit.

Objective #2:

Rehabilitate affordable, rental housing units for 124 extremely low, 60 low, and 8 moderate income households.

Activity #2(A): Implement Georgia's HOME Rental Housing Loan program to provide loans to for-profit and nonprofit housing sponsors, including CHDOs, to construct new or rehabilitate existing rental housing.

Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Activity #2(B): Implement Georgia's Housing Tax Credit program which provides federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy by low income tenants.

Other Funds: Low Income Housing Tax Credit allocation; Georgia Housing Tax Credit.

Activity #2(C): Implement Georgia's Permanent Supportive Housing program to provide construction and permanent financing to qualified CHDOs, other nonprofits, and for-profit housing developers for the construction or rehabilitation of rental housing for Homeless Tenants.

Consolidated Funds: HOME;
Other Funds: State Housing Trust Fund for the Homeless funds; HOME Program Income.

Activity #2(D): Implement Georgia's CHDO Predevelopment Loan Program which provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing low to moderate income housing developments using DCA's HOME Rental Housing Loan and Permanent Supportive Housing programs.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #2(E): Implement Georgia's Regular Annual CDBG Competition, which may assist local units of government to implement rental housing rehabilitation, programs to benefit households of low and moderate income.

Consolidated Funds: CDBG

Activity #2(F): Implement Georgia's Rental Housing Preservation Loan program to provide loans to for-profit and nonprofit housing developers, including CHDOs, to rehabilitate existing rental housing.

Consolidated Funds: HOME;

Other Funds:HOME Program Income.

Objective #3: Provide 12,284 extremely low, 3,652 low income, and 664 moderate income households with rental assistance.

Activity #3(A): Implement Georgia's Housing Choice Voucher Rental Assistance program which provides rent subsidies on behalf of low-income families and individuals to participating landlords who agree to maintain their rental properties to the required Housing Quality Standards.

Other Funds: Housing Choice Vouchers.

Activity #3(B): Implement Georgia's Shelter Plus Care program, which provides rental assistance for homeless people with disabilities.

Other Funds: Shelter Plus Care.

PRIORITY: **To increase the number of Georgia's low and moderate income households who have achieved and are maintaining homeownership in housing free of overcrowded and structurally substandard conditions.**

Objective #4: Assist 25 extremely low, 33 low, 30 moderate income households with the **construction of housing** so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #4(A): Implement Georgia's Community HOME Investment Program (CHIP) which assists local units of government to implement approved HOME eligible housing programs within their community.

Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Activity #4(B): Implement Georgia's CHDO Predevelopment Loan Program which provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing low to moderate income housing developments using DCA's Georgia Dream Single Family Development programs.

Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Activity #4(C): Implement the Georgia Dream Single Family Development program to assist nonprofit and for-profit housing developers, local Habitat affiliates and/or local public housing authorities with gap financing to assist with developing new housing, rehabilitating vacant and dilapidated housing for sale to new home buyers.

Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Objective #5: Assist 73 extremely low, 83 low, and 30 moderate income households with **rehabilitation** so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #5(A): Implement Georgia's Community HOME Investment Program (CHIP),

which assists local units of government to implement, approved HOME eligible housing programs within their community.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #5(B): Implement Georgia's Annual CDBG Competition that may assist local units of government to implement housing rehabilitation programs to benefit homeowners of low and moderate income.

Consolidated Funds: CDBG

Activity #5(C): Implement Georgia's CHDO Predevelopment Loan Program which provides interest-free loans to qualified nonprofit organizations for the preparation of complete and comprehensive applications for financing low to moderate income housing developments using DCA's Georgia Dream Single Family Development programs.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #5(D): Implement the Georgia Dream Single Family Development program to assist nonprofit and for-profit housing developers, local Habitat Affiliates and/or local public housing authorities with gap financing to assist with developing new housing, rehabilitate vacant and dilapidated housing for sale to new home buyers.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Objective #6

Assist 284 extremely low, 381 low, and 378 moderate income households with *down payment assistance* and 7,000 with *home buyer education* so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #6(A): Implement the Georgia Dream Second Mortgage program, including all the financial options to offer deferred payment second mortgages to cover down payment, closing costs and prepaid expenses for low income home buyers.

Consolidated Funds: HOME; ADDI;
Other Funds: State Match funds to the HOME Program; HOME Program Income.

Activity #6(B): Implement Georgia's Community HOME Investment Program (CHIP), which assists local units of government to implement, approved HOME eligible housing programs within their community.

Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Activity #6(C): Implement Georgia's Annual CDBG Competition which assists local units of government to implement down payment assistance programs to benefit potential homeowners of low and moderate income.

Consolidated Funds: CDBG

Activity #6(D): Implement Georgia's Rural Development Leveraged Loan Program that combines a first mortgage using Bond Program funds with a Rural Development Direct 502 interest subsidized second mortgage.

Other Funds: Proceeds from mortgage revenue bonds and USDA/RD Rural Development Direct 502 program funds.

Activity #6(E): Provide Housing Information to First-Time Home Buyers. The information will involve Consumer Education Seminars geared to promoting a general awareness of the advantages and responsibilities of homeownership; Pre-

Purchase Housing Counseling; and Post-Purchase Follow-up Sessions at 3, 6 and 12 months after closing a mortgage loan.

Other Funds: HUD Housing Counseling Program funds; Georgia Housing and Finance Authority funds.

Activity #6(F): Implement the Georgia Dream Single Family Development Program to offer a deferred payment second mortgages to cover down payment, closing costs and prepaid expenses for low income home buyers.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

PRIORITY: **To increase the access of Georgia’s Latino population to a continuum of housing and supportive services, which address their housing, economic and social, needs.**

Objective #7: To increase the number of Spanish speaking households assisted under all programs by 100 percent over five years.

Activity #7(A): Establish partnerships with organizations that assist the Spanish speaking community.

Consolidated Funds: HOME Administrative funds;

Other Funds: Housing Counseling Grant.

Activity #7(B): Implement a procedure to forward calls from Spanish speaking individuals to a dedicated phone line where they can receive information about assistance.

Consolidated Funds: HOME Administrative funds;

Other Funds: Housing Counseling Grant.

Activity #7(C): Produce additional brochures in Spanish to inform the Spanish speaking

population of assistance available through DCA.

Consolidated Funds: HOME Administrative funds;
Other Funds: Housing Counseling Grant.

Activity #7(D): Provide housing counseling and home buyer education.

Consolidated Funds: HOME Administrative funds;
Other Funds: Housing Counseling Grant.

Activity #7(E): Offer Georgia Housing Search website in a Spanish language format.

Other Funds: GHFA General Funds, Section 8 Administrative Fees and other identified private and public resources.

PRIORITY: **To increase the access of Georgia's homeless to a continuum of housing and supportive services which address their housing, economic, health and social needs.**

Objective #8: Provide housing necessary for Georgia's homeless to break the cycle of homelessness to provide housing to an average of 4,300 individuals' daily and/or supportive services necessary for Georgia's homeless to break the cycle of homelessness to an average of 8,700 individuals daily.

Activity #8(A): Implement Georgia's Emergency Shelter Grant program which provides financial assistance to nonprofits and local governments that offer shelter and services to meet the emergency needs of homeless individuals and families.

Consolidated Funds: ESG;
Other Funds: State Housing Trust Fund for the Homeless.

Activity #8(B): Implement Georgia's Housing Opportunities for Persons with AIDS (HOPWA) program, which provides financing to providers of housing and supportive services for people living with AIDS.

Consolidated Funds: HOPWA

Activity #8(C): Implement Georgia's Permanent Supportive Housing Program to provide construction and permanent financing to qualified CHDOs, other nonprofits, and for-profit housing developers for the construction or rehabilitation of rental housing for Homeless Tenants.

Consolidated Funds: HOME;
Other Funds: State Housing Trust Fund for the Homeless funds; HOME Program Income.

Activity #8(D): Implement Georgia's Regular CDBG Competition that may assist local units of government to implement programs that benefit Georgia's homeless.

Consolidated Funds: CDBG

Activity #8(E): Implement Georgia's Shelter Plus Care program, which provides rental assistance for homeless people with disabilities.

Other Funds: Shelter Plus Care.

Activity #8(F): Implement Georgia's Section 8 Housing Choice Voucher Rental Assistance program which provides rent subsidies on behalf of low-income families and individuals to participating landlords who agree to maintain their rental properties to the required Housing Quality Standards.

Other Funds: Housing Choice Voucher.

PRIORITY: **To increase the access of Georgia's Special Need populations to a continuum of housing and supportive services which address their housing, economic, health and social needs.**

Objective #9: Make funding awards to organizations or households that assist 723 Special Need households with the housing and supportive services necessary to achieve decent, safe and sanitary living conditions.

Activity #9(A): Implement Georgia's Housing Opportunities for Persons with AIDS (HOPWA) program, which provides assistance to providers of housing and supportive services for people living with AIDS.

Consolidated Funds: HOPWA

Activity #9(B): Implement Georgia's Permanent Supportive Housing Program to provide construction and permanent financing to qualified CHDOs, other nonprofits, and for-profit housing developers for the construction or rehabilitation of rental housing for Homeless Tenants.

Consolidated Funds: HOME;

Other Funds: State Housing Trust Fund for the Homeless funds; HOME Program Income.

Activity #9(C): Implement Georgia's Annual CDBG Competition that may assist local units of government to implement housing programs to benefit special need households of low and moderate income.

Consolidated Funds: CDBG

Activity #9(D): Implement Georgia's Housing Choice Voucher Rental Assistance program which provides rent subsidies on behalf of low income families and individuals to participating landlords who agree to maintain their rental properties to the required Housing Quality Standards.

Other Funds: Housing Choice Voucher Program Vouchers.

Activity #9(E): Implement Georgia's CHOICE option of the Georgia Dream Second Mortgage program that provides deferred payment second mortgage loans for down payment and principal reduction to qualified borrowers in households

which include an individual with a disability.

Consolidated Funds: HOME; ADDI;
Other Funds: State Match funds to the HOME program; HOME Program Income.

Activity #9(F): Implement Georgia's Homeownership Voucher option of the Georgia Dream Second Program that enables eligible Housing Choice Voucher Program tenants that include a household member with a disability to utilize their Housing Assistance Payment towards the mortgage of a home.

Consolidated Funds: HOME; ADDI;
Other Funds: Housing Choice Voucher Program Vouchers; State Match funds to the HOME program; HOME Program Income.

Activity #9(G): Implement Georgia's Housing Tax Credit program which provides federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy by low income tenants.

Other Funds: Low Income Housing Tax Credit allocation; Georgia Housing Tax Credit.

Objective #10: Provide housing assistance and information to 80 special need households in order to enable them to transfer from institutional to community living situations.

Activity #10(A): Establish and maintain partnerships with organizations that assist special need communities.

Consolidated Funds: HOME
Administrative funds.

Activity #10(B): Implement Georgia's Permanent Supportive Housing program to provide the capital resources and rental assistance necessary for sustainable supportive housing to assist Georgia's efforts to implement de-

institutionalization strategies and further promote Georgia's goal of reducing and eliminating homelessness through the production of affordable permanent rental housing with accompanying supportive services for Homeless Tenants

Consolidated Funds: HOME;

Other Funds: HOME Program Income; State Housing Trust Fund for the Homeless.

Activity #10(C): Make Section 8 Housing Choice Vouchers available to the Georgia Department of Human Resources for this population.

Other Funds: Section 8 Housing Choice Vouchers.

Activity #10(D): Market housing opportunities through the GeorgiaHousingSearch.org web site.

Other Funds: GHFA Administrative funds and Section 8 Administration fees.

Activity #10(E): Identify HUD-financed and non-HUD financed rental properties with project based rental assistance and coordinate information referral with DHR.

Other Funds: GHFA General Fund; Governor's Council on Development Disabilities funds.

PRIORITY:

To increase the access of Georgia's Elderly population to a continuum of housing and supportive services that address their housing, economic and social needs.

Objective #11:

Make funding awards to local governments, or organizations that assist 226 Elderly persons with the housing and/or supportive services necessary to achieve or maintain decent, safe and sanitary living conditions.

Activity #11(A): Implement the Georgia Dream Second Mortgage program to offer deferred payment second mortgages to cover

down payment, closing costs and prepaid expenses for low income home buyers.

Consolidated Fund: HOME; ADDI;

Other Funds: State Match funds to the HOME Program; HOME Program Income.

Activity #11(B): Implement Georgia's Rural Development option of the Georgia Dream Second Mortgage program to offer deferred payment second mortgages to cover down payment, closing cost and prepaid expenses for low income home buyers receiving first mortgages through the USDA-Rural Development Direct 502 Loan program.
Consolidated Funds: HOME; ADDI;
Other Funds: HOME Program Income.

Activity #11(C): Implement Georgia's Community HOME Investment Program (CHIP), which assists local units of government to implement, approved HOME eligible housing programs within their community.
Consolidated Funds: HOME;
Other Funds: HOME Program Income.

Activity #11(D): Implement Georgia's Annual CDBG Competition which may assist local units of government to implement housing rehabilitation and/or down payment assistance programs to benefit homeowners and potential homeowners of low and moderate income.
Consolidated Funds: CDBG

Activity #11(E): Implement the Georgia Dream First Mortgage Program which offers fixed rate mortgage loans to qualified low to moderate income home buyers at below market interest rates.
Other Funds: Proceeds from mortgage revenue bond issues.

Activity #11(F): Implement Georgia's Rural Development Leveraged Loan Program that combines a first mortgage using Bond Program funds with a Rural Development Direct 502 interest subsidized second mortgage.

Other Funds: Proceeds from mortgage revenue bonds; USDA/RD Rural Development Direct 502 program funds.

Activity #11(G): Provide Housing Information to First-Time Home Buyers. The information will involve Consumer Education Seminars geared to promoting a general awareness of the advantages and responsibilities of homeownership; Pre-Purchase Housing Counseling; and Post-Purchase Follow-up Sessions at 3, 6 and 12 months after closing a mortgage loan.

Other Funds: HUD Housing Counseling Program Funds; Georgia Housing and Finance Authority Funds.

Activity #11(H): Implement Georgia's HOME Rental Housing Loan program to provide loans to for-profit and nonprofit housing developers, including CHDOs, to construct new or rehabilitate existing rental housing.

Consolidated Funds: HOME;

Other Funds: HOME Program Income.

Activity #11(I): Implement Georgia's Housing Tax Credit program which provides federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy by low income tenants.

Other Funds: Low Income Housing Tax Credit allocation; Georgia Housing Tax Credit.

Table 6 provides a summary of specific annual objectives.

Table 6 Summary of Specific Annual Objectives

HUD Table 3A		FFY2008						1
Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed	
	Specific Annual Objectives							
DH-1	Availability/Accessibility of Decent Housing							
DH-1.1	Construct affordable rental housing units for extremely low, low and moderate income households.	HOME	Number of affordable rental housing units constructed.	2005				
				2006				
				2007	231	280	120%	
				2008	235			
				2009				
			STRATEGIC GOAL		1,680			
DH-1.2	Assist extremely low, low and moderate income households with the construction of housing so that they may achieve homeownership.	HOME	Number of affordable housing units constructed for homeownership.	2005				
				2006				
				2007	53	56	106%	
				2008	88			
				2009				
			STRATEGIC GOAL		265			
DH-1.3	Provide housing assistance and information to Special Need	HOME	Number of Special Need households that	2005				
				2006				

	households in order to enable them to transfer from institutional to community living situations.		receive assistance	2007	80	57	71%
				2008	80		
				2009			
				STRATEGIC GOAL		400	
DH-2 Affordability of Decent Housing							
DH-2.1	Assist extremely low, low, and moderate income households with down payment assistance so that they may achieve homeownership.	HOME		2005			
		CDBG		2006			
				2007	1,121	1,025	91%
				2008	1,043		
				2009			
				STRATEGIC GOAL		2,375	

DH-3 Sustainability of Decent Housing							
Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
	Specific Annual Objectives						
DH-3.1	Rehabilitate affordable, rental housing units for extremely low, low and moderate income households.	HOME	Number of affordable rental housing units rehabilitated	2005			
				2006			
		CDBG		2007	189	229	122%
				2008	192		
				2009			
STRATEGIC GOAL				140			
DH-3.2	Assist extremely low, low, and moderate income households with rehabilitation so that they may achieve sustainable and affordable homeownership.	HOME	Number of households assisted with rehabilitation	2005			
				2006			
		CDBG		2007	112	234	210%
				2008	186		
				2009			
STRATEGIC GOAL				879			
DH-3.3	Provide housing necessary for Georgia's homeless to break the cycle of homelessness to provide housing to homeless individuals daily	HOME CDBG ESG HOPWA	Number of homeless individuals provide with housing.	2005			
				2006			
				2007	4,300	4,187	97%
				2008	4,300		
				2009			
STRATEGIC GOAL				21,500			
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.1	Enhance the availability and accessibility of suitable living environments through the construction, reconstruction or rehabilitation of public facilities ¹ to benefit residential areas with a LMI percentage of 70 or greater.	CDBG	Number of people benefiting from public facility improvements either for the first time or that are benefiting from significantly improved services so as to provide a new level of service.	2005			
				2006			
				2007	16,200	15,183	94%
				2008	16,200		
				2009			
GOAL				16,200			
SL-1.2	Enhance the availability and accessibility of suitable living environments through the construction, reconstruction or rehabilitation of buildings ² to benefit residential areas with a LMI percentage of 70 or greater.	CDBG	Number of people benefiting from building improvements.	2005			
				2006			
				2007	15,500	22,754	³
				2008	15,500		
				2009			
GOAL				15,500			

¹ Water and sewer projects, drainage/street improvements, health and learning centers, etc.

² Neighborhood facilities, multi purpose centers, etc.

³ This is the same number for both indicators. These categories have significant overlap.

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-3 Sustainability of Suitable Living Environment							
SL-3.1	Provide supportive services necessary for Georgia's homeless to break the cycle of homelessness to individuals daily.	HOME CDBG	Number of homeless individuals who receive supportive services	2005			
				2006			
		ESG HOPWA		2007	8,700	10,013	115%
				2008	8,700		
		2009					
STRATEGIC GOAL				43,500			
SL-3.2	Make funding awards to organizations or household that assist Special Need households with housing and supportive services	HOME CDBG	Number of Special Need households that receive assistance	2005			
				2006			
		HOPWA ADDI		2007	723	2,602	360%
				2008	723		
		2009					
STRATEGIC GOAL				3,300			
SL-3.3	Make funding awards to local governments, or organizations that assist Elderly persons with housing and/or supportive services.	HOME CDBG	Number of Elderly persons who receive assistance.	2005			
				2006			
				2007	226	956	423%
				2008	226		
		2009					
STRATEGIC GOAL				435			
SL-3.4	Enhance the sustainability of suitable living environments through the construction, reconstruction or rehabilitation of public facilities to benefit residential areas with a LMI percentage of 70 or greater.	CDBG	Number of people benefiting from public facility improvements but not receiving a new service or a new level of service.	2005			
				2006			
				2007	1,800	1,687	94%
				2008	1,800		
		2009					
GOAL				1,800			

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Outcome	Percent Completed
SL-3.5	Enhance the sustainability of suitable living environments through the reconstruction or rehabilitation of buildings to benefit LMC at a percentage of 70 or greater.	CDBG	Number of people benefiting from improved building accommodations.	2005			
2006							
2007				15,500	22,754	3	
2008				15,500			
2009							
GOAL					15,500		
EO-1 Availability/Accessibility of Economic Opportunity							
EO-1.1	Provide economic opportunity by providing new job opportunities via loans to businesses, grants for public infrastructure and funds for training centers.	CDBG	Number of new jobs created.	2005			
2006							
2007				1,600	2,500	156%	
2008				1,600			
2009							
GOAL					1,600		
EO-3 Sustainability of Economic Opportunity							
EO-3.1	Provide economic opportunity by retaining jobs via loans to businesses, grants for public infrastructure and funds for training centers.	CDBG	Number of jobs retained.	2005			
2006							
2007				1,600	602	38%	
2008				1,600			
2009							
GOAL					1,600		

Note: For the State CDBG Program, funds are distributed based on applications from local governments. The state does not require under its Method of Distribution that local governments apply for particular types of grants based on specific outcome performance measures, rather a range of eligible activities and eligible outcome measures is allowed. Local governments therefore determine the expected number of beneficiaries and the applicable outcome measures.

N. GEORGIA'S ACTIVITIES TO ADDRESS THE NEEDS OF THE HOMELESS AND OTHER SPECIAL NEED GROUPS

DCA is committed to serving individuals who are homeless and/or who have a mental, developmental or physical disability. The State will undertake programmatic activities to address the needs of the homeless and other special need groups. The State is committed to advancing the principles that people with disabilities and the aging population are served in the most appropriate, integrated settings. Each program will accomplish one or more of the following actions:

- Address the emergency, transitional housing, and supportive service needs of homeless individuals and families (including subpopulations);
- Prevent low income individuals and families with children (especially those of extremely low income) from becoming homeless;
- Help homeless persons make the transition to permanent affordable (independent living) or supportive housing;
- Address the housing and supportive service needs of low income persons living with AIDS (limited to the State's 127-county HOPWA Entitled Area); or
- Address the special needs of persons who are not homeless.

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS PROGRAMS AND SERVICES

DCA, through both federal and state resources, will implement the following programs during SFY2009 specifically targeted to benefit the homeless and other special need groups:

- Implement Georgia's Emergency Shelter Grant Program (ESG) to provide financial assistance to nonprofits and local governments that offer shelter and service to meet the emergency needs of homeless individuals and families. This program also seeks to provide short-term targeted housing and services that will enable homeless persons to achieve permanent housing (independent or supportive).
- Implement Georgia's Housing Opportunities for Persons with AIDS (HOPWA) program to assist providers of housing and supportive services for people living with AIDS within the State's 127-county entitlement area.
- Partner with Shelter+Care sponsors in the Continuum of Care process to provide resources for the State's homeless persons with disabilities who need permanent supportive housing;
- Educate staff members and improving coordination between governmental and non-governmental entities to enhance understanding and improve resource use in order to expand the affordable housing opportunities available to persons with disabilities.
- DCA will continue their partnership with Department of Community Health and Department of Human Resource to increase community providers and promote community based care.
- Provide technical assistance to the State's supportive housing providers through the provision of specific assistance targeted to the needs of each organization (technology, professional services, on-site visits by DCA staff, etc.) and through resource fairs funded by DCA and by local agencies across the State.
- Continue using a scoring criterion in the allocation of its HOME Rental Housing Loan funds to encourage the development of rental housing units that will benefit special need populations including the homeless. Points will be awarded based on the percentage of the total units that are held and reserved for occupancy by tenants with special needs.

- During SFY2009, the State will continue implementation of its Continuum of Care Plan that outlines a delivery system to meet the affordable housing and service needs of the state's homeless population. This plan also will enable providers from across Georgia to access funding through HUD's Homeless SuperNOFA process and will guide the state's future efforts to serve the needs of homeless Georgians.
- The State will continue discussions with organizations in Georgia regarding financing options that will efficiently and effectively use State and other resources to produce supportive housing for people with special needs.
- During SFY2009, the State will continue its CHOICE option of the Georgia Dream Second Mortgage program which makes loans to qualified borrowers in a household in which at least one member has a disability in order to cover down payment costs and for principal reduction. Between \$7,500 and \$20,000 in financial assistance will be provided to eligible applicants, based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- DCA will continue its GeorgiaHousingSearch.org website, providing Georgians with disabilities the ability to access, via the internet, information about vacant units at DCA-financed affordable rental properties, other publicly assisted properties, and privately financed sites.
- During SFY2009, DCA will also continue its Permanent Supportive Housing Program that is designed to encourage the production of affordable rental housing with accompanying supportive services for eligible Homeless Tenants. This program will offer below market and favorable construction and permanent financing terms for the construction or rehabilitation of housing for this targeted population.
- DCA will continue its Homeownership Voucher option of the Georgia Dream Second Mortgage Program statewide. This initiative was developed to expand homeownership opportunities for households that receive Housing Choice Voucher Rental Assistance in which the head of household, spouse or dependent is disabled. This program enables the household to purchase a home utilizing the Housing Choice Voucher Housing Assistance Payment as income for qualifying for a mortgage loan.
- DCA participates in many mainstream homeless/special needs housing planning efforts throughout the state, as follows: Local and regional coalitions or workgroups, such as United Way of Metro Atlanta, Metro Atlanta Housing Forum, the Supportive Housing Committee of the Atlanta Regional Commission, the (Atlanta) Homeless Action Group, and local coalitions in Dalton, Athens, Macon, Savannah, DeKalb, Cobb, Gwinnett and others; state organizations and workgroups; state agencies and workgroups such as the Homeless Interagency Council, Georgia Coalition to End Homelessness, GA State Trade Association of Nonprofit Developers, Governor's Council on Developmental Disabilities, FEMA Emergency Food and Shelter Program distribution committee, local VA chapters sponsoring "stand downs", GA DHR workgroups (mental health, developmental disabilities, substance abuse, youth, etc.), and others; and in each of the state's local Continuums of Care.

- DCA will continue providing pre-purchase and post-purchase Housing Counseling programs through counseling agencies and nonprofit agencies across the State of Georgia.
- DCA will continue its partnership with Kennesaw State University to develop a regression model that will lead to a statewide count of unsheltered homeless in Georgia.
- DCA will continue to coordinate a Single Statewide Homeless Management Information System (HMIS) in partnership with local Continuums of Care and under contract with Pathways Community Network to create a single tracking system of information on referrals and services provided to the homeless.
- DCA will continue the Project Based Voucher Program (PBV), which provided decent and affordable safe rental housing for eligible low-income families, the elderly, and persons with disabilities. PBV units come in all sizes and types, from scattered single-family houses to high-rise apartments for elderly families. The program was available in all of the counties that DCA serves but has also targeted special populations identified by the Department of Human Resources.
- DCA will continue their partnership with Tech-Able Inc. to assist individuals with disabilities to secure affordable loans through the Credit-Able Program. A lump sum contribution of \$281,102 in non-federal money from Georgia Housing Finance Authority (GHFA) resources was provided to Tech-Able and, as a result, an additional amount of \$843,306 was leveraged in Federal funds.
- DCA is continuing their partnership with the Statewide Independent Living Council to present the Zero Step Entry Power Point Presentation to increase builder participation in the Easy Living Home Program, which encourages construction utilizing the concept of visitability for everyone.
- DCA will partner with agencies for a Statewide Point-in-Time Assessment count of the state's homeless families and individuals. DCA will provide the survey instrument, training, technical assistance, data input and data analysis for participating counties.
- During SFY2009, the State will continue funding for the Home Access Program to provide accessibility modification at owner occupied homes that are the primary residence of an individual with a disability. Financing for this program will be made available from SFY2009 state appropriation to the Housing Trust Fund for the Homeless.

Chronically Homeless

DCA is committed to end chronic homelessness and move homeless families and individuals to permanent housing. DCA prepares a balance of state (152 county) Continuum of Care plan. Through this extremely competitive CoC program, local and state jurisdictions, housing authorities, and nonprofits (secular and faith based) can apply for funding in support of transitional and permanent housing for 'homeless' persons as defined by HUD. DCA will continue to collaborate with local agencies in applying for federal funds to create programs that serve persons who are chronically

homeless. Four objectives along with local action steps were identified to end chronic homelessness and move families and individuals to permanent housing:

- 1) Create new permanent housing beds for chronically homeless persons
 - a) Expand beds available for permanent supportive housing (PSH) and for chronically homeless by identifying communities of highest need, local supportive service partners, and either (1) sponsors for new S+C beds, or (2) developers utilizing HOME funds and housing tax credits for construction coupled with vouchers from the Housing Choice Voucher program for rental assistance.
 - i) Complete underwriting and make commitments for 88 new permanent beds for the chronically homeless through the PSHP.
 - ii) DCA has included a special needs housing incentive as part of the 2008 Qualified Allocation Process for tax credit and HOME funded rental developments and allocated 50 Housing Choice vouchers to those units.
 - iii) Continue to emphasize S+C to meet the PH needs of the chronically homeless, offer technical assistance, workshops and forums to the primary sponsors of new S+C beds, and match up successful S+C providers with new potential providers.
- 2) Maintain or increase the percentage of homeless persons staying in permanent housing over 6 months to at least 71%.
 - a) Based on an assessment of most recent APR data for CoC, 71.1% of residents in or leaving permanent housing in the past 12 months have been there or were there for 7 months or longer. The CoC will continue to monitor this statistic and will implement the following actions to assure continued success.
 - i) Continued training for permanent housing providers, particularly DCA's S+C providers, on (1) best practices for supportive services, and (2) utilizing a S+C continuum of assistance that utilizes less intensive supports for longer-term or more stable clients – and – more intensive supports for shorter-term or less stable clients.
 - ii) CoC monitoring of programs for this outcome measure.
 - iii) Annual conference and individualized technical assistance for organizations not achieving reasonable outcomes based on the populations served.
 - iv) Annual conference and individualized technical assistance for organizations not achieving reasonable outcomes based on the populations served.
- 3) Ensure that the percentage of homeless persons moving from transitional housing to permanent housing is at least 61.5%.
 - a) Based on APR data for CoC, 64.4% of residents leaving transitional housing in the past 12 months moved to permanent housing. The CoC will continue to monitor this statistic and will implement the following actions to assure continued success.
 - i) Continued training for transitional housing providers on best practices.
 - ii) CoC monitoring of programs for this outcome measure.
 - iii) Individualized technical assistance for organizations not achieving reasonable outcomes based on the populations served.

- iv) Increase percentage of homeless persons.
 - v) Implement support service standards to ensure that basic housing supports are consistently provided across all funded agencies.
- 4) Increase percentage of homeless persons employed at exit to at least 18%.
- a) Based on an assessment of ARP data, the CoC's service providers are successfully implementing this goal.
 - i) Develop employment roundtables with the participation of service providers, local/regional Department of Labor representatives, education and training organizations, and others that will meet to identify local strategies and needs for assisting homeless persons in obtaining and maintaining employment.
 - ii) Work with a best practice provider who has a successful curriculum directed toward employment for homeless clients.

Discharge Coordination Policy

An Overview: Georgia Interagency Homeless Coordination Council

DCA continues to evaluate discharge policies across the State to prevent inappropriate discharge to unstable places, and to prevent the recurrence of homelessness. Increased awareness of discharge policies throughout the state, and gathered data regarding the discharged clients' destination, provided this insight toward preventive action needs. Appropriate discharge planning in Georgia has begun to avert the repetitious journey of another chronically homeless individual, and awareness has been raised within agencies partnering with GHFA. On February 11, 2004, Governor Perdue established the GA Interagency Homeless Coordination Council. The Council was charged to, based on earlier Policy Academy recommendations, develop a Homeless Action Plan and to report on its progress annually. The council is co-chaired by Commissioner Mike Beatty of DCA and Commissioner B. J. Walker of DHR. The established discharge policies in Georgia are continuously evaluated. Following evaluation, changes are made and/or new processes are established to meet the needs of persons in poverty with disabilities and other barriers to housing, including but not limited to, persons who are homeless. GHFA, homeless individuals, and homeless service agencies throughout Georgia have been and will continue to be positively affected by the industrious work of Interagency Council and the other efforts. The overall goal of this Plan is intended to "end the discharge of institutionalized individuals (to include discharge from correction facilities, public health or mental hospitals, treatment facilities, foster care, or juvenile justice programs) directly to homeless facilities which are unprepared and unable to meet the supportive service needs of the individual." The plan includes actions steps and, recognizing that systems change is more realistically accomplished by measured steps over time, goals are established by the council each year. The following is a summary of accomplishments/protocols established during the past 12 months. (In areas of Foster Care, Health Care, Mental Health, and Corrections).

Foster Care:

Recognizing the need for community supports at the time of discharge, the Department of Juvenile Justice (DJJ) has developed pilot post-discharge case

management protocols. This effort, in conjunction with current protocols surrounding pre-discharge planning, will improve success among youth in transition.

- Four state departments; DCA, Human Resources (a/k/a DHR, includes rehabilitation services, MH, DD, AD and DFCS), Juvenile Justice and Labor established the “Match Transition Protocol” in 2002. Match Transition case workers are responsible for comprehensive assessment, pre-planning and monthly follow-up following discharge. The case worker is responsible for coordinating benefits and services among all state and local entities.
- DCA is a member of the Youth Transition Protocol Committee that meets monthly around the issues of youth with serious mental illness aging out of state foster care. DCA has (1) made Housing Choice Program vouchers available to this group (60 issued in the past 12 months), and (2) is aggressively working to develop protocols for the production of new permanent supportive housing, and to use those protocols to implement a pilot project utilizing HOME, Housing Choice Voucher Program and other resources.
- Recognizing the need for community supports at the time of discharge, the DJJ has developed pilot post-discharge case management protocols, which will improve success among youth in transition.
- Approximately 52,000 youth pass through Georgia’s DJJ each year. DJJ has partnered with other state agencies to develop a “front-end” diversion model for youth with substance abuse and related problems; many with unstable housing histories, including homelessness. This partnership provides substance abuse and reentry services to juveniles ages 14 to 21, returning to the community, and the program can serve 525 substance abusing youth offenders over four years.

Health Care:

The GA Balance of State CoC, in its state-wide planning processes, has not identified significant problems associated with the discharge of persons from health care institutions to homelessness, where the persons have been in medical facilities for 30 days or longer. Regardless, the need for appropriate housing for persons who are homeless upon entry and exit from medical facilities is severe, and the CoC is working to replicate best practices around the state as follows:

- DCA and the Department of Community Health have been actively working to replicate hospital/homeless CoC protocols developed in Savannah. Early in 2006, the St. Vincent de Paul respite center opened in Augusta. Augusta is the home of the Medical College of Georgia, and its affiliate, the MCG Medical Center, and serves many homeless and indigent patients from around the region and the state. The respite center serves the region as a point of discharge for persons who are homeless upon entry and discharge.
- DCA is studying and preparing to duplicate protocols established by the Health Access Initiative (HAI) in Hall County. Established by medical providers, this project coordinates appropriate access to health care, as well as appropriate housing and community services for homeless adults with limited resources. One of HAI’s community partners is the Georgia Mountains Community Services Board. As a GHFA S+C sponsor, this organization directly links eligible adults in the program to permanent housing. HAI has successfully established protocols providing a comprehensive safety net with clear portals of

entry, a medication assistance program, care management/navigation and permanent housing for many who are homeless with disabilities.

- Due to its easy access from to much of North Georgia, Kennestone Hospital has the busiest emergency room in the state. Cobb County's hospital discharge planning group, comprised of service providers and health care providers, has successfully implemented discharge protocols for homeless patients to regional providers such as Cobb – Douglas CSB and MUST Ministries. DCA participates via GHFA S+C programs in Cherokee and Douglas County. MUST is considering protocols for respite care and housing the medically fragile utilizing S+C funds.

Mental Health:

Georgia currently operates seven (7) regional state hospitals for mentally ill persons. While all new admissions are “short term” (5 days or less); these hospitals do have a small number of long-term residents who have mental health or developmental disabilities. To address this issue, GHFA recently developed a priority protocol for these persons to receive GHFA Housing Choice Vouchers. In order to receive a voucher, the community mental health and developmental disabilities service agency has to make the referral and agree to provide long-term community supports. DCA, DHR and the Department of Community Health are exploring protocols surrounding best practices for utilizing Medicaid waivers in the most cost effective way to provide housing-based support services for residents of permanent supportive housing.

- To prevent institutional discharge to streets and shelters, DCA and DHR have developed protocols to connect 225 DCA Housing Choice Vouchers with DHR MHDDAD services for persons exiting institutions (where they have been there longer than 30 days). To date consumers exiting institutions with severe and persistent mental illness have utilized the 225 vouchers.

DCA offers a housing search web site, GeorgiaHousingSearch.org, with the goal of improving efficiency and access to affordable housing across the state. Discharge planners for institutionalized persons, service providers for the homeless, as well as the public, can use this service to find rental housing units based on price, numbers of bedrooms, available amenities, access to mass transportation, and accessibility features available. GeorgiaHousingSearch.org also offers a Special Needs Housing Search feature which has assisted Georgia caseworkers in locating housing for hundreds of traditionally hard-to-place clients. The feature has resulted in an incredible variety of scattered-site special-needs housing, giving tenants and property providers options that were just not available prior to the service being available to Georgia's non-profit community. As of January 31, 2008, the web site shows 61,074 units listed and averages over 5,900 searches per day.

- DCA is establishing (with state resources) a new technical assistance training program that will feature professional training and certification for housing-based supportive services providers. Curriculum and certification protocols will be developed in partnership with MH and other professionals utilizing best practices around the state and nation; including Georgia's successful “Peer

Support” program and the “Person Centered Planning” protocols established by CUCS – a HUD TA provider.

- DCA developed language for the Qualified Allocation Plan (QAP), which set forth the policies regarding the allocation of federal and state tax credits for the development of affordable rental housing, that would give developers an incentive to develop rental units targeted to special needs tenants, including persons with mental disabilities. DCA also allocated up to 50 project-based Housing Choice Vouchers for some set-aside units that will be allocated to the highest scoring applications receiving a tax credit award.
- DCA modified its eligible tenant population under its Permanent Supportive Housing Program to include individuals who are inappropriately housed in institutional settings to encourage the development of community-based supportive housing options and to support efforts around Georgia's Olmstead Plan.

Corrections:

- DCA, the Board of Pardons and Paroles, the Department of Corrections and the Criminal Justice Coordinating Council have jointly implemented the “Re-Entry Housing Partnership” (RHP) program. DCA is the lead fiscal agent, and Pardons and Paroles have hired a full-time discharge planner dedicated to the program. The RHP program is designed to assist ‘job ready’ parolees with housing placement, meals and services in the absence of stable family, friends or resources for housing at the time of parole. This program prevents the inappropriate discharge of parolees that often leads directly to homelessness. During the twelve months since the grant was awarded, 204 parolees were placed. Currently, over 354 parolees have been placed and as the program continues to expand, it is believed that cost savings can be sustained by effective parole supervision and intervention. If these offenders had not been released it would have cost an additional \$4.7 million dollars to incarcerate them until they were discharged from prison. Even with the cost of parole supervision of \$4.08 a day, the net savings to the State equals \$6.4 million dollars.
- The DHR Divisions of Family and Children Services (DFCS) and MHDDAD have also formed a collaborative with the Department of Corrections (DOC) with the goal of reducing homelessness and recidivism for the re-entry populations. DFCS staff currently provides education to staff and inmates at three state prisons that house female populations. Appointments for DFCS services are scheduled for referred inmates shortly after their release. DHR’s Child Support Services Fatherhood Initiative is currently working with the male transition centers.
- The DHR Crisis Intervention Team (CIT) is working to break the cycle of homelessness. A new initiative trains police officers to support pre-booking diversion of persons with SMI into treatment. This way, persons retain their housing without cycling through jails/prisons and back onto the street. The National Alliance on Mental Illness (NAMI) is a primary partner. To date, 75 jurisdictions and 1,100 officers have been trained.
- DHR, the Criminal Justice Coordinating Council and DCA have developed protocols for proactive intervention with specific “forensic behavioral health”

populations. The focus of this effort is to prevent the cycle of instability that leads to un-necessary homelessness, arrest, incarceration, and/or discharge planning (the 'revolving door').

In addition to the housing programs administered by DCA, the State's Department of Human Resources (DHR) and Community Health (DCH) anticipates administering the following service programs available to the homeless:

GEORGIA DEPARTMENT OF HUMAN RESOURCES

- Community Services Block Grant (CSBG): provides assistance and anti-poverty services and activities specific to low income households through twenty community action agencies and local governments. Services offered are employability preparation, transportation, issues affecting children and the elderly, housing, alcohol and drug abuse, seed funds addressing food and nutrition, emergency assistance, homelessness and homeless prevention.
- Food Stamps: provides monthly benefits to low-income households to help pay for the cost of food based on income and other criteria. In addition, the program provides education and information to low-income households receiving food stamps to promote healthy eating; healthy lifestyles, employment and training opportunities for single childless adults; and outreach activities to promote the advantages of the Food Stamp Program to communities and low-income individuals.
- Prevention of Unnecessary Placement (PUP): provides family preservation services to families with children at risk for placement out of the home or ready for reunification.
- Refugee Resettlement Program: provides employment, health screening, medical, cash, and social services assistance to refugees. The primary goal of Georgia's Refugee Resettlement Program is to encourage effective resettlement and economic self-sufficiency of refugees within the shortest possible period after entrance to Georgia.
- Projects for Assistance in Transition from Homelessness (PATH): provides funding to public agencies and private nonprofit organizations to implement eligible services for the mentally ill homeless.
- Ryan White AIDS funds: for the operation of supportive service programs accessed by HOPWA program sponsors.
- Georgia Coalition to End Homelessness: provides for coordination of shelter and direct services to homeless individuals. The program is also responsible for building the capacity of providers and technical assistance.
- Temporary Assistance for Needy Families (TANF): provides temporary cash assistance to eligible families and assistance with job preparation, work opportunities, enforcement of child support and assistance in obtaining and maintaining employment.

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

- **Medicaid:** provides payments for medical assistance and health care to qualified indigent people over age 65, members of families with dependent children, pregnant women, and physically or mentally disabled individuals.
- **PeachCare for Kids:** provides a comprehensive health care program for uninsured children living in Georgia. The health benefits include primary, preventive, specialist, dental care and vision care. PeachCare for Kids™ also covers hospitalization, emergency room services, prescription medications and mental health care. Each child in the program has a Georgia Healthy Families Care Management Organization (CMO) who is responsible for coordinating the child's care.

O. GEORGIA'S NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

The State recognizes the importance of using CDBG resources to assist in meeting the state's non-housing community and economic development needs. In addition to the annual regular round CDBG competition, which routinely funds such needs, the State has also set aside funds for several categories or types of projects in an effort to be more responsive to local needs that often are not conducive to an annual competition. Specifically, funds are set aside for: (1) two economic development programs (the Employment Incentive Program (EIP) and the Redevelopment Fund) which accept applications at any time and (2) the Immediate Threat and Danger Program, which responds to urgent need situations. In addition, local governments can make application at any time for a Section 108 CDBG Loan Guarantee.

The primary long term objective of the community development strategy is to develop viable communities by responding to locally determined needs for suitable living environments, expanded economic opportunities and decent housing, principally for low- and moderate-income persons. The objectives will be achieved by funding activities that: 1) increase the availability and accessibility of basic infrastructure, services, employment, shelter and the basics of daily living; 2) make housing, basic infrastructure and services affordable; and 3) improve the sustainability and livability of communities through the removal of slums, blight or conditions that promote poverty and hinder economic revitalization. Examples of recently funded activities that meet the objectives include: a) the financing of a neighborhood revitalization strategy that combines the rehabilitation of failing public infrastructure with clearance of dilapidated, abandoned housing units and rehabilitation of existing housing units; b) the financing of a public shelter for homeless women and children; c) the replacement of failed water lines so that a low-income neighborhood has a dependable and potable water supply; d) the financing of a public health center so that low-income families have access to basic health and dental care; e) the financing of sewer service that will allow the location of a manufacturing facility that will employ low- and moderate-income persons; and f) the financing of well repairs for a small community whose water supply failed as a result of the influx of Katrina evacuees housed at a local college.

P. OTHER ACTIONS TO BE IMPLEMENTED BY GEORGIA

ACTIONS TO ADDRESS OBSTACLES TO MEETING UNDERSERVED HOUSING NEEDS

ADDRESSING THE OBSTACLES

The State recognizes that many obstacles connected to affordable housing issues relate to public perceptions and market factors. The State will respond to underserved needs as they are identified. However, the State can take action to address issues pertinent to its regulatory control. These responses include:

- Implementing federal fair housing requirements in association with all HUD-funded housing activities.
- Providing housing information to Georgians interested in purchasing their first home, including: Consumer Education Seminars geared to promoting a general awareness of the advantages and responsibilities of homeownership; Pre-Purchase Housing Counseling; and Post-Purchase Follow-up Sessions at 3, 6 and 12 months after closing a mortgage loan.
- Developing and helping to facilitate a training course “Best Housing We Can Have” in joint-partnership with the Georgia Municipal Association through a contractual agreement with Common Focus. The course will focus on how communities can respond to their local housing needs and issues and use available housing programs to develop or enhance their housing strategy.
- Carrying out activities identified in the State’s approved Analysis of Impediments to Fair Housing Choice.
- Providing information on tenant/landlord laws.
- Offering technical assistance and financial resources to nonprofit housing providers to increase the administrative capacity of these organizations.
- Pursuing federal regulatory changes that will enable the State to more efficiently provide assistance to underserved households
- Implementing the Continuum of Care plan that serves the needs of rural Georgia, including the homeless population.
- Supporting the efforts of service providers through the Housing Trust Fund to assist the homeless.
- Continuing to assist designated HOPWA project sponsors with the expansion or enhancement of their organizational capacity and/or current programs.
- Continuing to encourage nonprofit agencies in the southern and southwestern area of the state to initiate HOPWA programs to meet the rural needs of persons with HIV/AIDS in rural areas.
- Using the Community Housing Initiative to coordinate linkages between DCA, local private lenders, local governments, developers, and builders in order to address work-force housing related needs of the particular community.
- Utilizing a 30% set-aside of federal tax credits for applications in rural areas. This will result in a matching set-aside of state tax credits.

- Educating staff members and improving coordination between governmental and non-governmental entities to enhance understanding and improve resource use in order to expand the affordable housing opportunities available to persons with disabilities.
- Making special efforts to work with rural communities in Georgia:
 1. Encourage the development of affordable housing for the region's workforce population.
 2. 2008 QAP and Georgia Dream Single Family Development Program eliminated use of HOME funds in local participating jurisdictions, with the exception of CHDOs, thereby expanding access to resources.
- Offering Spanish language brochures and workbooks for DCA's home buyer programs to enable Georgia's Hispanic population better access to this assistance. A Spanish version of the Housing Counseling Workbook entitled "Su Casa Propia" is also available.
- Continuing to make available the GeorgiaHousingSearch.org web site to provide property managers the ability to market available rental units (including those designed with features to make the units accessible for individuals with disabilities) to prospective tenants across the state of Georgia. The site supports property searches in English and Spanish.
- Offering training to nonprofit developers on how to develop single family housing for homeownership. DCA will host six trainings during SFY2009 during September, December, March and June.
- Continuing to utilize the applicant checklist to simplify the process through the Georgia Dream program. The checklist form is available on the website for both the applicant and/or lender. The Applicant Checklist expedites the processing of the mortgage loan by preparing the first time home buyer applicant with a listing of the necessary documentation for the initial interview with DCA's participating lenders.
- Continuing to serve on the Governor Perdue's Workforce Investment Board's (WIB) Coordinating Council and offering the Georgia Work Ready web site -- www.gaworkready.org. The Council is comprised of the Governor and chief executives of the lead state agencies in the workforce development system. The site is where Georgia communities can demonstrate that their workforces have the education levels and job skills necessary to compete in today's global economy.
- Continuing the Quality Growth Resource Teams, which are local technical assistance visits. Volunteers from the state university system and public or private sector in the area of design, planning, or development field staff the teams. Team visits spread innovative planning practices and "smart growth" concepts throughout the state. DCA coordinates the team visits, handle logistics and prepares the final report.
- Continuing the Opportunity Zone Tax Credit Program that was created by the Georgia legislation. In these zones, businesses, including retail businesses, would be eligible to use job tax credits of up to \$3,500 per job created against their state income tax liability. Businesses could use the

job tax credits for up to ten years, as long as the jobs created are maintained.

- Providing technical assistance request regarding the Job Tax Credit Program.
- Participating in the High School Graduation Coach/Community Coach Program, a Governor's Office Initiative designed to improve the high school graduation rate in Georgia.
- Continuing to provide technical assistance service to various cities and originations on downtown developments and revitalization issues.
- Continuing to collaborate with the U.S. Department of Homeland Security to map Georgia Community Facilities. Since passage of the Georgia Planning Act in 1989, DCA and the State's Regional Development Centers have compiled and maintained statewide maps and information on over 8,000 Community Facilities.
- The State Housing Trust Fund for the Homeless has partnered with the Department of Corrections and the State Board of Pardons and Paroles to offer the Re-Entry Partnership Housing Program. This program will provide housing to convicted felons who remain in prison after the Parole Board has authorized their release due solely to having no residential options. Re-entry housing partners must provide released offenders stable housing and food. The goal of the RPH program is to provide short term financial assistance to help stabilize an individual's re-entry process to enhance his or her ability to remain crime free. This program prevents the inappropriate discharge of parolees that often leads directly to homelessness. Prisoners today are typically less prepared for reintegration, less connected to community-based social structures, and more likely to have health or substance abuse problems than in the past. In addition to these personal circumstances, limited availability of housing and social services in a community can affect the returning prisoner's ability to reintegrate.
- Market the no-step entry design to builders of affordable single family housing through partnerships with the Statewide Independent Living Council, Concrete Change and the building industry.
- Supporting financial literacy through Money Smart Financial Literacy curriculum to increase fair housing and homeownership.
- DCA will continue to conduct a workshop for prospective CDBG-CHIP applicants. The workshop has two primary goals -- (1) to inform local government officials and other interested parties of procedures used to prepare CDBG and CHIP applications; and (2) to provide participants with the opportunity to learn how to prepare competitive applications, ask questions and share information.
- Updating Georgia Dream First Mortgage Program to allow the Georgia Dream Program to remain a low cost mortgage financing resource and meeting the demands of the changing mortgage market beginning October 1, 2007.
 - 1) Suspending the Affordable Advantage program.
 - 2) Changing the MI Coverage limits for conventional insured loans.

- 3) No longer accepting DU Expanded Approval II.
 - 4) DU Expanded Approval I and manually underwritten conventional loans must have a minimum credit score of 620.
 - 5) Offering a five rate category based on loan type and/or credit score along with the loan to value ratio effective for all loans reserved on or after February 2, 2008.
 - 6) Continuing free recapture tax reimbursements for loans insured through Genworth Financial as long as the coverage remains in force.
- Continuing DCA's partnerships to dedicate 400 Housing Choice Vouchers to individuals served through the Georgia Department of Human Resources Department of Family and Children Services and the Division of Mental Health, Developmental Disabilities and Addictive Diseases, and to dedicate 100 Housing Choice Vouchers to individuals with physical disabilities served by affiliate organizations of the Statewide Independent Living Council.
 - Continuing its partnership with Rural Development Centers to provide fair housing material to local governments in the comprehensive planning workshops.
 - Continuing to utilize a competitive scoring criterion by DCA's Office of Affordable Housing when evaluating projects in order to ensure the projects that will best assist some households with a disproportionate housing need will receive program assistance. All senior projects designated as Elderly must include at least two basic ongoing services. These services must include services designed to meet the physical/social needs of elderly persons in at least two (2) of the following categories: recreation/social, transportation, health/wellness, education/counseling, and security.
 - DCA collaborated with the Department of Human Resource and Community Health to prepare the "Money Follows the Person" grant application to the Centers for Medicaid and Medicare to correct the system of care for Georgians who are aged or who have a physical, mental or developmental disability. Many Georgians reside in institutions because inadequate alternatives exist to provide services outside of this setting. Funding has been awarded and DCA will continue its collaboration during the one-year planning phase of this project.
 - Continuing implementation of the Home Access program that helps citizens with disabilities make modifications to their homes that allow them to live more safely and with greater independence. Funded through the State Housing Trust Fund for the Homeless, Home Access provides grant funds to selected Contract Administrators to coordinate and provide specific services at the owner-occupied homes of individuals with disabilities and their families. Through the program, \$300,000 is made available to eligible applicants, with up to \$15,000 provided for accessibility modifications per home.

ACTIONS TO FOSTER AND MAINTAIN AFFORDABLE HOUSING

All of the programs administered using Georgia's FFY2008 allocation of consolidated formula funds will seek to foster and maintain affordable housing opportunities within Georgia. As stated in the Strategic Plan, the State will continue to coordinate its use of proceeds from its issuance of mortgage revenue bonds, its use of the federal Low Income Housing Tax Credit, Georgia Housing Tax Credit, and the state's allocation of HOME program matching funds to further this effort. In addition, the Housing Trust Fund for the Homeless will use dedicated State funding to continue the efforts of service providers to assist the homeless and individuals with disabilities.

In the upcoming fiscal year, applicants selected for funding under the HOME Rental Housing Loan Funds as stated in the Qualified Allocation Plan must list all available affordable Housing Units funded by DCA on the Georgia Housing Search website. Georgia Housing Search is a DCA sponsored database that assists Georgia residents in locating available affordable housing units. Once a project is selected for funding, the Applicant will have a period of six (6) months to complete the listing of existing developments. Applicants are required to notify DCA when they have completed the listing.

ACTIONS TO REMOVE BARRIERS TO AFFORDABLE HOUSING

Georgia has a strong commitment to making decent affordable housing available to all residents. Over the past twenty years, a wide variety of policy and program initiatives has been instituted to move toward this goal. Actions that will be taken include revising housing programs to facilitate access to available funds; revising and implementing state laws impacting housing affordability; continuing implementation of the Georgia Planning Act requirement for jurisdictions to examine issues related to the provision of affordable and adequate housing; implementing new actions identified in the Analysis of Impediments to Fair Housing Choice; and providing training and technical assistance programs to local governments.

In addition to the implementation of its affordable housing programs during SFY2009, DCA will take several steps to eliminate the barriers to affordable housing for several identified groups:

- The Office of Homeownership will continue using the brochure written in Spanish that will describes the programs available to potential low-income home buyers. A Spanish version of the Housing Counseling Workbook entitled "Su Casa Propia" is also available.
- In partnership with 36 counties across the state, DCA conducted a count of the state's homeless families and individuals. DCA will continue their partnership with Kennesaw State University to develop a statistical model that will enable the information obtained from the sample, estimate information about the prevalence of homelessness statewide. The information

will assist DCA and local communities to better formulate community goals and strategies.

- DCA will continue its collaboration with the Governor’s Council on Developmental Disabilities, advocacy groups for individuals with physical disabilities and other nonprofit organizations to eliminate the barriers to purchasing a home by qualified Georgians with a disability, to promote development of visitable housing, and to improve access to affordable rental housing across the State.
- The Office of Homeownership will continue to promote an awareness of homeownership to Georgians interested in purchasing their first home. This information will include Consumer Education Seminars geared to promoting a general awareness of the advantages and responsibilities of homeownership; Pre-Purchase Housing Counseling; and Post-Purchase Follow-up Sessions at 3, 6 and 12 months after closing a mortgage loan. During both the Consumer Education Seminars and the Pre-Purchase Housing Counseling sessions households will be made aware of federal fair housing laws. In addition, the seminars will be targeted to underserved groups identified in the State’s Consolidated Plan.
- DCA will continue to make available the GeorgiaHousingSearch.org web site for property managers to input information on vacant rental units. DCA will continue to market this database to service providers for individuals with disabilities to better link information about affordable, available rental units to their clients. The site supports property searches in English and Spanish.
- The Georgia General Assembly passed the Georgia Planning Act in 1989, which requires all of Georgia’s cities and counties to adopt comprehensive plans and specifies the elements to be considered in those plans. The Short Term Work Program element in a plan is to be updated at least every five years and the complete plan must be updated and adopted every 10 years. DCA recently revised the Standards and Procedures for Local Comprehensive Planning, effective date: May 1, 2005. These “Local Planning Requirements” enhanced the housing element for cities and counties planning at the advanced level while continuing to encourage local governments at the basic and intermediate levels to utilize the advanced level regulations to address housing issues in their communities. The regulations require that the comprehensive plans inventory existing conditions and assess current and future needs. If housing is identified as a community issue, the comprehensive plan should also articulate community goals, and describe an implementation program.
- DCA provides data to assist local governments in the planning process. A significant amount of housing data is provided to local governments, including data on low to moderate- income households with housing needs in each jurisdiction and on characteristics of those households. Additionally, DCA’s website aims to provide the public with better access to the completed plans and data sets.
- The Office of Homeownership will continue to collaborate with nonprofit agencies, lenders, mortgage insurance companies who offer borrowers an opportunity to reduce cost and become successful homeowners. Genworth

Mortgage Insurance Company introduced a discounted mortgage product, Counseling Saver, for borrowers who receive 8 hours of pre-purchase classroom home buyer education.

- Reduces standard mortgage insurance rates for A and A minus loans by 10 basis points regardless of loan –to-loan value ration or the buyer’s FICO score.
- Designed as an incentive for buyers to get counseling.
- The State will continue implementation of its Continuum of Care Plan to provide a delivery system to meet the affordable housing and service needs of the state’s homeless population. This plan also will enable providers from across Georgia to access funding through HUD’s Homeless SuperNOFA process.
- DCA will implement new activities identified in its revised Analysis of Impediments to Fair Housing Choice submitted to HUD, including the printing and distribution of a Fair Housing brochure, in both English and Spanish languages, that conveys information on the Fair Housing Law.
- DCA staff will continue its partnership with 10 local public housing authorities (Americus, Athens, Atlanta, Augusta, Brunswick, Columbus, Decatur, Hinesville, Macon and Marietta) that have teamed with GHFA to create Georgia HAP Administrators (GHA), Inc. to provide Housing Choice Voucher Program Contract Administration services to HUD. GHA will continue its operation in SFY2009.
- DCA will continue marketing of a video presentation explaining options to create aesthetically pleasing, cost effective no step entries to single family homes. The product is used to educate builders and developers.
- DCA will continue its partnership with the Atlanta Regional Commission and Atlanta Neighborhood Development Partnership to create a web-based portal of housing information and statistics as advocated by the Mixed Income Community Initiative.
- DCA will continue to provide supportive services to the Center for Pan Asian Services, which serves as an information and referral agency for housing. The center implements community service projects offering courses in comprehensive housing counseling, pre-purchase counseling and house buying workshops to maximize independence and enhance quality of life for the Asian community.
- DCA will continue to support financial literacy through Money Smart Financial literacy curriculum to increase fair housing and homeownership.
- DCA will continue its Signature Community Program to bring to the forefront communities that are serious about taking the next step to improve local quality of life through effective planning, implementation and taking a comprehensive approach to addressing community improvement issues. Selection as a SCP community has many benefits, including access to a \$50,000 grant and other financial and program benefits from the Georgia Department of Transportation, Georgia Environmental Facilities Authority and specialized technical expertise from several of DCA’s operational units. DCA will continue its Signature Program with twelve participating cities. The program provides these designated cities with the below benefits:

- Two years of customized technical assistance to achieve key initiatives from the local comprehensive plan;
 - Access to a Signature Community Program grant of up to \$50,000;
 - Assistance in identifying other financial resources for implementing the identified initiatives, statewide recognition as a community committed to improving the lives and livelihood of its residents through effective development of a comprehensive plan and efficient implementation of plan activities;
 - Access to Georgia Department of Transportation matching funds for Local Assistance Road Program (LARP) resurfacing projects. DOT will match local funds dollar for dollar up to \$100,000 for qualified LARP projects;
 - Access to Georgia Environmental Facilities Authority (GEFA) state loans at reduced rates, participating communities will be eligible to receive a reduction in the GEFA state loan interest rate by up to 50 basis points;
 - Additional point under the Qualified Allocation Plan for rental housing developments that are most indicative of the community's affordable housing goals,
 - Preference in selection under the Georgia Dream Single Family Development Program;
 - Down payment assistance funds for homeownership for local government employees that live and purchase a home in the Signature Community;
 - Annual competition for Community Development Block Grants for non-entitlement participants;
 - Access to reduced loan rates approved through DCA's economic development finance programs, participating communities will receive a reduction in the loan's interest rate by 100 basis points; and,
 - Access to rating and selection criteria bonus points for Local Development Fund grants, preference in the allocation of development funding for new homeless facilities included in the community housing strategy.
- DCA will continue implementation of a set-aside for Habitat for Humanity Affiliates under the Georgia Dream Single Family Development Program. DCA is unable to readily reach this income group with its established programs. Habitat Affiliates have development expertise, construction management experience, mortgage capability, and housing counseling capacity. Habitat for Humanity Affiliates applying through this set aside are eligible to receive a standard \$20,000 Home Buyer Subsidy for each unit that meets the program's threshold requirements. The Affiliates are not be eligible for any Development Subsidy amounts. Housing developed under this set aside carry a Georgia Dream first mortgage originated through one of DCA's Participating Lenders, a \$20,000 down payment assistance deferred payment loan Home Buyer Subsidy, and a Habitat Affiliate third mortgage to make up the amount of the property's appraised value.

ACTIONS TO EVALUATE AND REDUCE LEAD-BASED PAINT HAZARDS

Childhood lead poisoning is a one of the foremost environmental health threats for the nation and for the State of Georgia. Almost a half million children – 2.2% of all preschoolers have enough lead in their blood to cause serious damage. Most children are poisoned by lead in and around their home when they are exposed the harmful levels of lead contaminated dust, deteriorated lead-based paint, and lead-contaminated soil. This section outlines the actions the State plans during SFY2009 to evaluate and reduce lead-based paint hazards. As described in Part V of the Consolidated Plan, three State agencies are working to reduce lead paint hazards.

The Georgia Department of Natural Resources (DNR) has issued state regulations to implement the "Georgia Lead Poisoning Prevention Act of 1994." This law requires the certification of lead abatement contractors and establishes minimum post-abatement lead dust clearance levels. DNR will continue to administer a lead-based paint abatement certification for lead abatement inspectors, risk assessors, project designers, supervisors, workers, and contractors.

The Georgia Childhood Lead Poisoning Prevention Program (GCLPPP), administered by the Georgia Department of Human Resources (DHR), aims to eliminate childhood lead poisoning in Georgia. DHR will continue to:

- Update and implement the statewide lead poisoning screening plan.
- Continue to implement the 2006 revised Case Management and Follow Up Guidelines
- Exchanging data with housing agencies to ensure that no lead elevated children reside in federally assisted housing.
- Implement a statewide lead poisoning surveillance system that incorporates electronic reporting of all blood lead levels and ensures the timely dissemination of information.
- Establish policies and procedures that ensure the appropriate screening and follow-up of children at risk for lead poisoning.
- Create health education, communication, and technical assistance programs for the general public, professionals, and staff that highlight the importance of lead poisoning prevention.
- Develop multi-faceted and culturally appropriate primary prevention activities.
- Work to adjust policy to address the lead hazard abatement problem in the state.
- Work toward the establishment of a healthy homes approach incorporating lead as well as other housing based health concerns.
- Evaluate the program completely in terms of process and impact

DCA will continue to require recipients of federal HOME and CDBG funds that engage in homeowner, housing rehabilitation and rental assisted activities to follow HUD regulations that require the control of lead based paint hazards and safe work practices. DCA will also ensure that all federal assisted housing receives a risk

assessment to identify lead hazards and all units pass clearance at the end of the work. DCA's lead abatement and hazard control strategy will focus on identifying and reducing or abating the following hazards.

- Lead contaminated dust.
- Lead contaminated soil.
- Deteriorated lead-based paint, which is chipping or flaking.
- Lead-based paint accessible to children that can be chewed.
- Lead-based paint present in friction surfaces.
- Lead-based paint present in impact surfaces.
- Lead-based paint on any surface disturbed because of rehabilitation activity.

DCA will continue its efforts to educate recipients on the dangers of lead-based paint and lead-based paint hazards and will continue to strive toward lead-safe housing where these sources of funds are used. Currently, DCA actively addresses the need for lead based paint control and abatement by requiring local governments to budget funds for lead control and/or abatement when submitting an application for funding in which rehabilitation activities are anticipated to be performed.

DCA will also continue to serve on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state and federal agencies, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs. The current rate of childhood lead poisoning in Georgia is 2.5% of all children under age six who were screened in 2003. The goal of the LAC is to reduce that to no more than 1.0% by 2010. DCA has been instrumental in assisting in the development of an Elimination Plan. The objectives of the plan encompass three subjects yet are not exclusive to DCA's policies only. The first is establishing partnerships with community development and housing agencies. The second is finding financial resources for controlling lead hazards. The third is playing a proactive role with local housing and community development agencies by providing screening and housing data to assist them in preparing their Consolidated Plans, a prerequisite for receipt of CDBG and HOME funds from HUD.

ACTIONS TO REDUCE THE NUMBER OF POVERTY LEVEL FAMILIES

Part V of the Consolidated Plan describes the nature and extent of poverty in Georgia. Many agencies throughout Georgia actively pursue the elimination of poverty. The Consolidated Plan performs in this overall endeavor to foster and promote self-sufficiency and independence. While a solution to assisting the significant number of Georgians living in poverty is beyond the scope of the five HUD formula programs covered by the Consolidated Plan, the implementation of the housing and community development programs as described in this Action Plan will assist in the alleviation of some of the conditions of poverty manifested in poor or overcrowded housing, lack of jobs and deteriorated neighborhoods. The funding the State will make to local governments, private developers, PHAs, and nonprofit service providers will help persons and families in poverty.

DCA will continue to administer an anti-poverty program, the Healthy Marriage Initiative, using \$90,000 in federal TANF funds. The purpose of the Healthy Marriage Initiative is to promote marriage as a viable life style option for low and moderate income Georgians through improved perceptions, attitudes and skills for developing a healthy marriage. DCA, through the State Housing Trust for the Homeless, will contract with selected Eligible Entities for the provision of education services to Eligible Beneficiaries. Eligible Beneficiaries will be households with a total household income which is 80% or less of the Area Median Income (AMI) for the county in which the household resides. Households will be required to self-certify their qualification as an Eligible Beneficiary. Households receiving such services may reside in any county in the State of Georgia.

DCA will contract with selected Eligible Entities for the provision of Healthy Marriage education services to Eligible Beneficiaries. Eligible Entities will provide training using an approved curriculum and will evaluate the change in the perceptions and attitudes towards marriage as a viable lifestyle option and the development of skills of participating households, which may foster a healthy marriage. The curriculum used must cover at least three of five core areas: 1) communication skills, 2) listening skills, 3) money management, 4) conflict management, and 5) family goal setting. In addition, the curriculum must include an evaluation tool to gauge the individual's skills, attitudes, and perceptions within these five core areas. The evaluation tool must be administered at the start of training, at the close of the training curriculum, and six months following the household's completion of the training curriculum. The training provided must be made available at no cost to the participating household.

DCA also has set-aside \$7,000,000 in FFY2008 CDBG funds for the Employment Incentive Program. This program will result in new jobs for lower income persons as well as job training possibilities. The additional income generated by these persons should help lift them above the poverty level. DCA's Office of Economic Development, which manages the EIP Program and several other state funded economic development programs, is actively coordinating with the Department of Adult and Technical Education for job training.

DCA will continue to participate in roundtable discussions with community leaders, affordable housing advocates in an informal dialogue to discuss topics surrounding fair lending practices, Home Mortgage Disclosure Act (HMDA), community reinvestment act (CRA) and how these factors impact the Atlanta market hosted by Atlanta Neighborhood Development Partnership, Inc.

The Department of Human Resources, the Department of Education and the Department of Children and Youth Services will continue to implement and expand the Georgia Initiative for Families and Children. This innovative program seeks to enhance service delivery and break the "cycle of poverty" by concentrating services for young families and their children. DCA has coordinated several CDBG projects with this initiative and will consider additional funding requests when presented by eligible units of local government.

DCA and the Georgia Department of Economic Development will continue to sponsor a Regional Advisory Council (RAC) Summit. Formed in 1998, the purpose of each RAC is to promote regional approaches to community and economic development, to propose and offer, where appropriate, educational programs for local leaders and encourage private-public partnerships to address regional challenges. Continuing and future RAC focus areas include Safe and Affordable Housing, Sustaining Existing Businesses, Help for Entrepreneurs, Local Government Assistance, Heritage Tourism and Community and Economic Development.

ACTIONS TO DEVELOP THE INSTITUTIONAL STRUCTURE

The State will continue its efforts to overcome identified gaps in its institutional structure and to fulfill its related priority: ***to increase the capacity of local nonprofit organizations and other providers to offer housing assistance.*** The State will undertake efforts to create and to increase the capacity of community-based nonprofit housing sponsors, such as CHDOs. Further training, technical assistance activities, and financial support will be important aspects of this effort.

One important step toward this goal has been the continued implementation of the CHDO Predevelopment Loan program implemented by DCA. This program provides interest-free loans to qualified nonprofit organizations to prepare complete and comprehensive applications for financing low to moderate income housing developments using Georgia's HOME Rental Housing Loan, Permanent Supportive Housing, and Georgia Dream Single Family Development programs.

DCA's Team Georgia staff is helping to develop a strategy and identify funding sources for infrastructure to prepare for the anticipated growth associated with the announced military buildup at Ft. Benning Military Base. Planning areas include wastewater treatment, housing, health, social services, transportation, land use, zoning and ordinances.

The State will also operate its CHDO Operating Assistance Fund to provide assistance to qualified state designated CHDOs with funding to maintain their operation and to develop their capacity to implement HOME-funded CHDO activities. Eligible CHDOs may receive up to \$45,000 annually.

The Georgia Initiative for Community Housing provides a series of facilitated retreats and direct technical assistance to enable communities to address housing needs. These retreats provide the communities participating in the three-year program an opportunity to learn how to use code enforcement, the state's urban redevelopment law, land banks, and other techniques to further their housing goals.

DCA has partnered with Hands On Georgia to distribute the grant funds to local governments that partner with community agencies to use volunteers to transform communities and engage citizens in service. These challenge grants will help to build infrastructure for sustainable programming to recruit, train and manage volunteers in local communities.

The State will provide training through the Georgia Dream Single Family Development program on how to begin develop and preserve affordable single family housing. The training includes an overview of program requirements and the application processes.

DCA will also convene a meeting of providers of housing and support services at properties funded through the Permanent Supportive Housing Program so that each can learn from the experiences and challenges of managing and serving these special need populations at a supportive housing property.

DCA will also convene a conference for users of the Homeless Management Information System (HMIS) from all continuums across the state so that providers of services and housing to the homeless can share best practices and address challenges in using the HMIS.

In addition, the State will investigate and implement initiatives to increase the free flow of information, resources, and data between federal, state and local agencies, nonprofit housing developers, for-profit housing developers and advocacy groups.

ACTIONS TO ENHANCE COORDINATION

The policy of the state of Georgia strongly favors the formation and maintenance of cooperative partnerships. The State of Georgia will continue to take steps over the next year to meet its established priority: ***To increase coordination, strengthen linkages and encourage the formation of partnerships between Georgia's private sector housing developers, financial institutions, nonprofit organizations, public sector agencies, foundations, and other providers.*** The State's efforts to enhance coordination between these partners will include:

- DCA will continue to evaluate and reorganize existing administrative and programmatic systems to provide the most efficient assistance to its participating partners. Steps will also be taken to strengthen existing linkages and form new partnerships with interested participants including private sector housing developers, financial institutions, nonprofit organizations, academic institutions, and local governments.
- DCA will continue to evaluate the construction codes in Georgia. DCA in conjunction with the Home Builders Association of Georgia, Southwest Georgia Inspectors Association (SWGIA), Home Builders Association of South Georgia and the Home Builders Association of Statesboro will continue to sponsor design criteria workshops.
- DCA will continue the Community HOME Investment Program (CHIP), which will provide local governments' access to both CDBG and HOME funds through a single, coordinated application process for the implementation of approved and eligible housing activities within their jurisdictions.
- DCA will continue to participate in various forums and networks from across the state that address affordable housing, homelessness or the housing issues of special need groups.

- DCA will continue to provide its “Best Housing We Can Have” class to municipal government officials to heighten awareness of housing issues in their communities and use available housing programs to develop or enhance their housing strategy. This class is offered in cooperation with the Georgia Municipal Association.
- DCA and the Georgia Department of Economic Development will offer a new form-based model code for use in cultural heritage tourism districts and training workshops for community leaders and tourism, economic development and planning professionals. The basic model code is designed to be adapted to address each community’s unique cultural and historic assets, architectural landmarks, topography and natural setting.
- DCA will continue offer funding for Hands On Challenge Grants, for communities interested in implementing or expanding community-based volunteer programming in their local area. Each community is required to match the grant money dollar for dollar with locally raised funds bringing the leveraged amount of statewide community funding to \$200,000. The grants offer communities the necessary funding that can help volunteer managers develop and implement engaging, innovative and responsive volunteer opportunities.
- DCA will also continue to participate in the annual Hands On Georgia Week which is sponsored by AGL Resources, Georgia Natural Gas, Georgia's Electric Membership Corporations, InterContinental Hotels, and SunTrust Directed Funds,
- DCA will continue to provide education to local economic development officials through the Georgia Academy for Economic Development. In the Academy, regional groups identify the area’s most pressing issues, when affordable or workforce house is identified, housing staff work with those groups to help fashion a response to the local need.
- The State will continue its informal efforts to work with other governmental agencies, nonprofit organizations, housing developers, financial institutions, foundations and other providers to create effective solutions to the housing and community development needs of Georgia.
- DCA will also maintain and expand its Internet web site to increase access to information on Georgia’s affordable housing and community development needs and to promote the availability of its programs with its current and future partners.
- DCA will continue community-focused outreach activities through the Home-Buyer Education Grant and the Community Housing Initiative efforts.
- GHFA will continue its Membership in Georgia HAP Administrators (GHA), Inc., a nonprofit organization awarded a contract with HUD to provide the Housing Choice Voucher Program. HAP contract administration services to HUD for project-based Housing Choice Voucher Program assists properties in Georgia. GHA assumed this role on August 1, 2000. Other members in this organization include Americus Housing Authority, Athens Housing Authority, Atlanta Housing Authority, Augusta Housing Authority, Brunswick Housing Authority, Columbus Housing Authority, Decatur

Housing Authority, Hinesville Housing Authority, Macon Housing Authority, and the Marietta Housing Authority.

- DCA will continue implementation of its Continuum of Care Plan and established network of providers.
- DCA and the Georgia Department of Natural Resources' Historic Preservation Division will continue their collaboration with co-sponsoring a 1½-day workshop designed to explain federal and state tax incentives available to help Georgians rehabilitate and clarify the application procedures. These state incentives can play a vital role in the revitalization of commercial districts all across the state. Identifying historic buildings and developing projects that meet the *Secretary of Interior's Standards for Rehabilitation* will be highlighted. Of special interest is the discussion of Georgia's new State Income Tax Credit Program for Rehabilitated Historic Property.
- DCA will continue to respond to the AIDS crisis by collaborating with Ryan White Consortiums, GA Department of Community Health, the City of Atlanta, and the Statewide HIV Prevention Program on our commitment to providing safe, decent, and affordable housing for our most vulnerable citizens living with HIV/AIDS and their families.
- DCA will continue to facilitate a proactive dialog about preventing and eliminating homelessness, the Trust Fund regularly convenes meetings of the *State Homeless Advisory Council*. The council is composed of twenty-five representatives from the homeless service provider community, local government providers, nonprofit organizations, ecumenical community and many others interested in addressing issues of homelessness.
- DCA will continue collaboration with the Georgia Department of Human Resources through the Georgia Mental Health Planning Council with the goal of ending chronic homelessness and in procuring mainstream resources for homeless services.
- DCA will continue collaboration with the Collaborative Initiative to Help End Chronic Homelessness. This past year, DCA Commissioner Mike Beatty co-chaired along with DHR Commissioner B.J. Walker on the Governor's Interagency Homeless Coordination Council. Ongoing work is focused on ending chronic homelessness; policies that will eliminate discharging clients back into homeless situations; improving state agency coordination; improving access to SSI with a consideration given to presumptive eligibility; evaluation of fiscal effectiveness; effective homeless prevention policies; and coordination strategies that will best achieve the Council and the Governor's goals for ending chronic homelessness in Georgia by 2012.
- DCA will continue to participate in mainstream planning efforts throughout the State. DCA has membership on the Georgia Mental Health Planning Council. DCA also regularly attends the (supportive) Housing Forum meetings facilitated, by the Metro Atlanta Food Bank. DCA recently participated in the annual meeting of the Georgia State Trade Association of Not-For-Profit Developers (GSTAND) and DHR's Housing Coalition. DCA

staff also participates regularly and are members of the Governor's Council on Developmental Disabilities.

- DCA will continue collaboration with the Mayor's (Atlanta) Homeless Commission. Staffed by the United Way of Metropolitan Atlanta this vision is to address needs in the larger metro region. Twenty-five (25) of the counties in the 28-county Atlanta MSA are within the Balance of State CoC Plan. The Commission is currently working with Georgia Legislature to establish a state homeless authority. The Balance of State counties of Clayton, Douglas, and Rockdale have joined in this regional effort. Extending from this effort is the United Way's new Supportive Housing Council. This group is specifically working to establish new resources for housing chronic homeless persons in the metro Atlanta area.
- DCA will continue to collaborate with local agencies in applying for federal funds to create programs that serve persons who are chronically homeless.
- DCA will provide data to assist local governments in the planning process and provides the public with online access to the completed plans and data sets.
- DCA will create a greater awareness and higher level of sophistication among local planners, administrators and elected officials about the housing needs in their communities because of the expanded requirements for the assessment of housing needs in the comprehensive plans, coupled with the housing information and data available on DCA's website. Armed with the information that will emerge from the planning process, communities will begin tackling housing issues that have previously not been addressed by many local governments.
- DCA will continue its partnership with the Georgia Municipal Association and the University of Georgia's Housing and Demographics Research Center for the Georgia Institute for Community Housing to offer communities a three-year program of collaboration and technical assistance. This program offers a series of facilitated retreats allowing communities to fashion solutions to their housing needs, the opportunity to attend related workshops, to receive technical assistance. The program provides an opportunity for the community housing teams to engage in cross-community sharing and collaboration.
- DCA will continue the State's informal efforts to work with other governmental agencies, nonprofit organizations, housing developers, financial institutions, foundations and other providers to create effective solutions to the housing needs of Georgians.
- DCA will continue the State's participation in various forums and networks from across the state which address affordable housing, homelessness or the housing issues of special needs groups.
- DCA will continue implementation of the Georgia Dream first and second mortgage program through a network of private sector, participating lenders and in cooperation with nonprofit housing counseling agencies.
- DCA will continue to participate in and facilitate homebuyer/educational fairs attended by people interested in buying their first home.

- DCA will continue its Community Housing Initiative to support local officials and leaders achieve their community goals, strengthen downtown revitalization, rejuvenate deteriorating or blighted neighborhoods, and create economic benefits and a stronger tax base through the use of established DCA resources and programs.
- DCA will continue its collaboration between the Georgia Dream Homeownership Program and designated cities to create a partnership entitled “DreamCity,” that combines the resources of the Georgia Dream below market interest rate first mortgage and 0% second mortgage financing with the existing resources of the cities. This partnership makes homeownership opportunities even more affordable for Georgia’s first time home buyers.
- DCA will continue to support financial literacy through Money Smart Financial literacy curriculum to increase fair housing and homeownership.
- DCA will continue its partnership with Rural Development Centers to provide fair housing material to local governments in the comprehensive planning workshops.
- DCA will continue to provide supportive services to the Center for Pan Asian Services, which serves as an information and referral agency for housing. The center implements community service projects offering courses in comprehensive housing counseling, pre-purchase counseling and house buying workshops to maximize independence and enhance quality of life for the Asian community.
- DCA will continue the statewide anti-litter campaign: “Litter. It Costs You,” which provides a three-pronged approach including education, enforcement and eradication. DCA plays a key role along with Georgia Department of Natural Resources and Transportation and other public and private partners.
- DCA will continue the Community Planning Institute, a two-day program in planning practices conducted by planning and legal professionals. The program targets the training needs of Planning Commissioners, Zoning Board of Appeals Members, and Local Government Staff Members responsible for Planning Functions, Planning Professionals New to Georgia, Elected Officials and Citizen Planners. Attendees completing the two-day training program earn twelve hours of education in land use, comprehensive planning and legal issues. Course completion provides participants “Certified Planning Commissioner” status granted by the Georgia Planning Association and the Georgia Department of Community Affairs.
- DCA will continue their participation in the Appalachian Regional Commission (ARC), a federal-state partnership comprised of 13 states in the Appalachian region of the United States. The goal of the program is to create opportunities for self-sustaining economic development and improved quality of life in the region. Funding for several hundred projects throughout the Appalachian Region support these goals. These projects create thousands of new jobs, improve local water and sewer systems, increase school readiness, expand access to health care, assist local communities with strategic planning, and provide technical, managerial, and marketing assistance to emerging new businesses.

- DCA will continue their Annual “BRING ONE FOR THE CHIPPER” recycling program. BRING ONE FOR THE CHIPPER is Georgia's annual Christmas tree recycling program. Each year, Keep Georgia Beautiful works with private sponsors to organize a number of tree recycling events around the state.
- DCA will continue to provide the Economic Development Finance Packet (EDFP) booklet, this is a partnership between the Georgia Department of Community Affairs (DCA) and the Office of Economic Development (OED). The EDFP is a comprehensive listing of state, federal, local and national programs that are designed to promote economic development and business enhancement in Georgia.
- DCA entered into a partnership with the United States Federal Emergency Management Agency (FEMA) to implement and administer a new supportive housing program to assist Hurricane Katrina and Rita evacuees. DHAP includes an initial needs assessment for each of the estimated 270 families across Georgia who will be assisted through the program. Based upon the results of the needs assessment, DCA will facilitate or provide tailored supportive case management services to these families until the program ends on March 1, 2009.
- DCA will continue the statewide database of Georgia Historical Markers. To support local tourism and educational programs. DCA web site hosts photos, a searchable database, maps and directions to each marker.
- DCA will continue to coordinating the State’s role with the US Census Bureau and the states 16 regional development centers for the Local Update of Census Address (LUCA) program by providing technical assistance and training to local governments across the state.
- DCA will continue the quarterly joint lender and real estate trainings with the DeKalb County Housing Authority.
- DCA will continue the online system for submitting, requesting and tracking reviews of Developments of Regional Impact (DRIs). The intent of the DRI review process is to improve local, regional and state level coordination and cooperation regarding major developments in the state.
- DCA will continue to demonstrate its commitment to recycling by implementing a new recycling program, “Away From Home”. This program was established to help local communities promote recycling at special events like sporting events, concerts and festivals. Approximately \$350,000 from Georgia’s Solid Waste Trust Fund (SWTF) will be used to implement this initiative. Curbside Value Partnership (CVP) joined the statewide efforts by providing advertising, graphic design and local government recycling promotional material support. The Coca-Cola Company donated \$25,000 towards the purchase of trailers and collection containers. In addition to the “Away From Home” effort, the state’s comprehensive and collaborative strategy will focus on developing a statewide media campaign, supporting, investing in regional recycling transfer hubs and developing recycling and disposal rate measurement and reporting tools. The strategy also has the support of other state partners, including the Georgia Department of Natural

Resources – Environmental Protection and Pollution Prevention Assistance Divisions and the Georgia Environmental Facilities Authority.

- DCA's will assist its newest Signature Community Program participants plan to implement a wide range of initiatives over the next two years. Project overviews for Calhoun, Fayetteville, Jesup/ Wayne County, Valdosta/ Remerton and Wilkinson County/ Cities of Allentown, Danville, Irwinton, Ivey, Gordon, McIntyre and Toombsboro.
 - 1) DCA will work with Calhoun Affordable Housing Development and the Calhoun Housing Authority to coordinate planned housing improvements. The City of Calhoun has plans to contract for a redevelopment plan that addresses its growth, zoning, infrastructure and housing improvements.
 - 2) Fayetteville's efforts will focus primarily on its downtown area. The City has identified three "focus" initiatives, including: (1) redevelopment of older commercial centers and exploring adaptive reuse opportunities; (2) assisting with the redevelopment of vacant and underutilized properties in the downtown core; and (3) developing a "business recruitment strategy that would involve working with existing downtown businesses, the Main Street Program and its Downtown Development Authority.
 - 3) DCA will work with Wilkinson County and the cities of Allentown, Danville, Irwinton, Ivey, Gordon, McIntyre and Toombsboro to develop an economic development plan, strategies to protect key corridors and its tourism and marketing efforts.
 - 4) The City of Jesup and Wayne County will focus on developing county-wide greenspace plan and uniform signage system.
 - 5) Both Valdosta and Remerton plan to conduct brownfield and greyfield assessments, make physical improvements to the Azalea City Trail and Withlacoochee River Greenway Connection and implement of a bicycle and pedestrian master plan. In addition, the cities will explore the use of local resources such as Valdosta State University, Valdosta Technical College as well as the City of Valdosta's Public Information Office to create educational cycling safety video and other related resources.
- DCA will continue to utilize their Quality Growth Resource Teams local technical assistance visits staffed by volunteers from the state university system and public or private sector participants from the design, planning, or development fields. The team works to develop proposals for implementing "smart growth" approaches in local communities and then present their recommendations to local officials and community leaders. The group's focus is to create an overall development plan and maps of suggested character areas county-wide by conducting a comprehensive assessment of existing development regulations for consistency in allowing quality growth. This includes zoning ordinances, subdivision regulations, design guidelines, and other strategies for economic development and transportation.
- DCA will continue to collaborate with USDA's National Agricultural Imagery Program (NAIP) obtaining statewide 1-meter pixel resolution,

natural-color aerial photography. These images have been assembled into compressed county mosaics and are available for downloading.

- DCA will continue its partnership with UGA Cooperative Extension providing housing program information. The Monroe County Extension offers program services in 4-H youth, family and consumer sciences and agriculture and natural resources helping Georgians become healthier, more productive and financially and environmentally independent.
- DCA will start working with the newly formed Drought Response Working Group, which will formulate policies based on the DRUC group's recommendations. This group includes staff from Georgia Department of Natural Resources-Environmental Protection Division, Georgia Emergency Management Agency, Georgia Environmental Facilities Agency, Georgia Department of Agriculture, Georgia Department of Human Resource,; Georgia Department of Public Safety, Georgia Department of Transportation, Georgia Forestry Commission, and the Georgia Public Service Commission
- DCA will continue to collaborate with Atlanta's Rebuilding Together working on a number of community revitalization projects.
- DCA will continue The WaterFirst® Community partnership with local governments, state and federal agencies and other organizations working to improve the management and protection of our shared water resources.
- DCA will continue their membership with the Empire Board of Realtist, Inc. Seven Real Estate Brokers established this organization in 1939 with a mission of having the right to live and sell in a place of choice. These business owner professionals of various companies have the common interest of all people obtaining homeownership. This upcoming fiscal year, the Business Development/Marketing team will make affordable housing workshops available to members as requested and offer continuing education courses twice a year.
- DCA will hold the biennial Housing Georgia Conference and Magnolia Awards for Excellence in Housing event on November 20, 2008 to enable Georgia's affordable housing community to come together to celebrate extraordinary achievements in housing.
- DCA will continue their partnership with South West Georgia Housing Task Force providing assistance implementing their regional strategies for the following goals:
 - 1) Raise region average per capital income to the State by 2015.
 - 2) Improve coordination between the Region's human resource service agencies, educational and business community.
 - 3) Improve the educational status of Southwest Georgians.
 - 4) Improve leadership goals of Southwest Georgians of all ages.
 - 5) Creation of a diverse economy resistant to the down-cycles of individual sectors.
 - 6) Increase provision of adequate capital for small business development.
 - 7) Expansion of employment opportunities at existing business and industries.

- 8) Increase awareness and use of local business start up and development training services.
 - 9) Capitalization of the Region's natural, historical and cultural resources to expand the tourism sector.
 - 10) Full utilization of technology to increase business opportunities throughout the region.
 - 11) Accelerate regional awareness of the linkage of water resource stewardship to sustainable economic development.
 - 12) Increase the number of housing development, community development agencies and improve their access to successful programs.
- DCA will continue sponsoring financial workshops. DCA's Office of Downtown Development offers a three full day workshop on Business Improvement Districts (BIDs), Community Improvement Districts (CIDs), and Tax Allocation Districts (TADs). Workshops highlight several topics including the difference between CIDs and BIDS, the Legal ABCs of Tax Allocation Districts, Redevelopment Law Update, Using Impact Fees as a Redevelopment Tool, Opportunity Zones & Community Development Block Grant Revitalization Areas, Success Stories and many other related topics.

Q. MONITORING

To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, the State of Georgia uses various monitoring standards and procedures.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

DCA will provide CDBG funds to units of local government in accordance with the Annual Action Plan (Part VI, Section F). The selected governments will implement their selected activities, which will be carried out in furtherance of this plan.

To insure that each recipient of CDBG funds operates in compliance with applicable federal laws and regulations, DCA implements a monitoring strategy that closely reviews government activities for all compliance areas, and provides extensive technical assistance to prevent compliance problems.

Pre-funding site visits are made to each potential grant recipient to check that conditions are as described in the funding application submitted to DCA. Once grants are awarded, staff conducts an initial "start-up" visit to assess the capacity and needs of each recipient. In addition, all recipients are required to attend a workshop that provides extensive technical assistance and a guidance manual for use in implementing the project. All required compliance requirements are described in the manual.

Each grant recipient is monitored several times each year by trained DCA staff. A monitoring report is completed for the following compliance areas:

- Environmental;

- Eligibility;
- Fair Housing;
- Civil Rights and Equal Opportunity;
- Financial and Audit;
- Federal Labor Standards;
- Acquisition and Relocation, Section 104(d);
- Interim and Final Audit;
- Final Benefit Count;
- Housing Rehabilitation Standards and Policies;
- Lead Based Paint Hazard Reduction Regulations, and
- Citizen Participation.

In the event that DCA staff identifies compliance problems, the Chief Elected Official is notified and a deadline is set for a response and possible corrective actions. DCA maintains a monitoring status system to insure timely resolution of findings. Prior to formal close-out of each grant, a final check is made to be sure all monitoring has been completed and any finding is resolved satisfactorily.

HOME INVESTMENT PARTNERSHIP (HOME)

The Georgia Housing and Finance Authority (GHFA) is the Participating Jurisdiction (PJ) and recipient of the State of Georgia’s allocation of funds from the federal HOME Investment Partnerships (HOME) program. GHFA contracts with the Georgia Department of Community Affairs (DCA) to administer the HOME-funded programs in the State. As a result, DCA is responsible for monitoring of all HOME-funded projects for compliance with the applicable federal regulations.

Georgia Dream Homeownership Programs (Georgia Dream Second Mortgage Program including PEN, HONORS, CHOICE, Welcome Home, Signature Community, EV or Visitable, Homeownership Voucher, and Rural Development options and the Home Buyer Subsidy for the Georgia Single Family Development Program):

Eligible borrowers apply for the Georgia Dream Homeownership Program loans and the loan portion of the Georgia Single Family Development Home Buyers Subsidy through Participating Lenders by completing a standard mortgage application to obtain a fixed rate FHA, USDA, VA or Conventional mortgage loan. Lenders underwrite the application for credit approval based on the requirements of the Mortgage Insurer. The lender also determines if the loan complies with DCA guidelines. Once the Lender completes the compliance review and credit underwriting process, approved loans are submitted to DCA for compliance underwriting approval. The DCA compliance underwriting review is performed after the Lender’s credit underwriting process. If the application meets the applicable credit and compliance underwriting guidelines, DCA will issue an underwriting approval and commitment to purchase the loan from the lender. DCA purchases

closed Program loans pursuant to the purchase requirements and schedule set forth in DCA's Seller Guide.

DCA's compliance underwriting decision is based on, but is not limited to, a review of the documentation in the Underwriting Package that documents satisfactory compliance with the following criteria:

- a) Ownership Interest: Review the Application source documentation, tax returns and applicant affidavit to document that the Applicant(s) meets the ownership interest requirements.
- b) Income: Ensure that the Household Annual Income meets program requirements as determined by a review of source documentation (pay stubs, awards letters, verifications of employment, liquid assets, etc.) that verifies the income of all household members over the age of 18.
- c) Acquisition Cost: Review the sales contract, construction cost, and Acquisition Cost Certification completed by the seller and buyer to insure that Acquisition Cost of the subject property is within the published Acquisition Cost limits for the county in which the property is located.
- d) Purchase Only Transaction: Review application and underwriting package to insure that funds will be used for purchase only transactions.
- e) Recapture: Review disclosure and acknowledgment by borrower of recapture provisions for federal and state funding.
- f) HQS, Environmental & Property Requirements: Review FHA appraisal and environmental checklist completed by third party appraiser to insure that property meets HQS, DCA property requirements and that there are no environmental issues.
- g) Lead Paint: Review documentation to determine if property was built prior to 1978. If it is determined that property is pre-1978, utilize non-federal funding for purchase transaction.
- h) Subsidy Layering: Review mortgage financing structure to ensure that those excessive governmental subsidies are not applied to any one purchase transaction. A disclosure of all federal, state, local or federal government funds is required on the Application Affidavit (Form SF-12) and Loan Applicant Profile (Form SF-10) which are reviewed by DCA's Compliance Underwriters.
- i) Completeness: Review documentation to insure data integrity, completion and accuracy of all DCA required forms.
- j) Home Buyer Education/Counseling: DCA requires that are either applicants receiving down payment assistance and the Single Family Development option attend and complete a home buyer seminar or individual counseling program with a DCA or HUD approved agency.
- k) Appraisal: all appraisals are required to be on the most recent version of the uniform residential appraisal report, submitted with original pictures or color digital images of the subject property and street scene and that the appraiser has the appropriate experience and qualifications.

CHIP:

Annually, DCA awards CHIP funds on a competitive basis to eligible local government applicants. To ensure initial applications are in keeping with the HOME program requirements, as well as other federal, state and local requirements, DCA sponsors an Applicants Workshop in conjunction with the small cities CDBG workshop. The requirements are also detailed in the Applicants Manual. Specifically, in regard to the CHIP program, the following requirements are covered:

- Eligible Local Government Applicants
- Eligible HOME (CHIP) Activities
- Ineligible HOME (CHIP) Activities
- Basic HOME Rules:
 - Definition of a Project
 - Form of Subsidy
 - Amount of Subsidy
 - Eligible Costs
 - The Property (Types, Value, Standards)
 - The Applicant or Beneficiary (Low Income)
 - The Long Term Affordability
- Applicability of Other Federal Requirements per HOME regulations and Other DCA Requirements
- Non Discrimination and Equal Access (fair housing, equal opportunity and handicapped accessibility)
- Employment and Contracting (equal opportunity, labor requirements, contracting and procurement)
- Environmental
- Site and Neighborhood Standards
- Lead Based Paint
- Displacement, Relocation and Acquisition
- Financial Management
- Housing (fair and equal credit laws, construction standards)
- Historic Preservation
- Citizen Participation

Following the award of funds, local government CHIP recipients are required to attend the Recipients Workshop. The CHIP Recipients Manual is presented to the recipients and the CHIP staff again provides training on the HOME program requirements listed above.

DCA conducts the following monitoring reviews of local government CHIP recipients:

- a) Grant Award Review: An initial site visit review of the grant award includes review of the general conditions and special conditions of the award; grant adjustment notices; financial management procedures; citizen participation

- requirements; affirmative marketing requirements; fair housing requirements; environmental review; historic preservation; written agreements; and, location of program records. Technical assistance is also provided on any special requirements of the award such as Davis Bacon or Uniform Relocation and Real Properties Acquisition Policies Act.
- b) Program Start-up Review: CHIP staff conducts an on-site start-up review to verify the local government is on target with award timelines and in compliance with program regulations. A review of the local government's program policies and procedures is also conducted. Special condition compliance, fair housing, use of manuals and forms and all required written agreement are discussed.
 - c) Financial Management Review: When between 40 and 60 percent of program funds have been drawn down, DCA conducts an on-site financial management review including case file reviews, site visits to completed projects, verification of income, verification of ownership of property, owner occupancy, property type and value, property standards, loan and grant documentation, construction documentation, environmental screening, reconciliation of CHIP checking account, source documentation for all invoices and other financial management review.
 - d) Close Out Review: After all project funds have been drawn, DCA conducts an on-site close-out review to monitor program and project records for compliance with HOME regulations including reconciliation of draw down records, final quarterly reporting, outstanding monitoring issues, unused funds return, administrative draws, case file reviews and record retention.
 - e) On-Going Technical Assistance: The CHIP staff with assistance from the Division's Compliance Manager, as needed, conducts technical assistance as requested during the program year to local government CHIP recipients and sub-recipient administrators.
 - f) Housing Workshops: The CHIP staff, in conjunction with the small cities CDBG housing staff, conducts periodic housing workshops for both CHIP and CDBG recipients.

HOME Rental Housing Loan / Rental Housing Preservation Loan Programs:

The State has developed and implemented compliance monitoring procedures to ensure proper implementation of all HOME regulations. To facilitate this monitoring process for the state's HOME-financed rental housing programs, the State sponsors a compliance training seminar for HOME program participants, including such topics as: tenant applications, income limits, rent limits/utility allowance, income verifications, annual income and assets, income certifications/recertifications, leases, occupancy status reports, annual reports, and the responsibilities of property owners. Certification testing is required and certificates are awarded upon successful completion of the training. The Owner will also be required to submit to DCA a copy of the Certificate of Successful Completion for the training prior to the beginning of lease-up or prior to placing the first building in service.

The State conducts site visits annually for multifamily properties with 26 or more units and biannually for multifamily properties with 25 or fewer units. Properties are inspected for conformance with HUD's minimum Housing Quality Standards. In addition, DCA monitors each property for compliance with its executed land use restriction agreement.

Compliance with federal and state requirements is conducted for each project as noted below:

a) Subsidy Layering

DCA will perform subsidy-layering analysis for HOME funded projects prior to the time of preliminary commitment for projects receiving tax credits from the state's low income housing tax credit allocation. In cases where the results of a DCA subsidy layering review indicate that there would be excess assistance, DCA will reduce the amount of the HOME loan to eliminate the excess. In addition, a subsidy layering review is also conducted during HOME loan underwriting prior to the closing of the HOME loan.

b) Environmental Review

The State requires site-specific environmental assessment for all development proposals being considered for funding with HOME funds. At a minimum, DCA requires a Phase I Environmental Site Assessment in accordance with standards developed by the American Society for Testing and Materials (ASTM). In addition, DCA also requires that the Phase I address, asbestos, mold, lead-based paint, lead in drinking water, radon, PCBs, floodplains and wetlands. Request for approval of threshold environmental requirements must be submitted at application for review and clearance. Once the environmental review is complete, clearance letters will be issued to those projects. All environmental threshold determinations made at pre-application will be conditioned on DCA's site visit after receipt of the full application. The Applicant, as outlined in the HOME/HUD Environmental Questionnaire, must complete additional requirements for HOME/HUD funded projects at the time of Application Submission, including, but not limited to, the Eight-Step process and HUD publication procedures.

i. Eight-Step Process: Projects located within a flood hazard area or designated wetland are subject to Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands) respectively. HUD's implementing regulations at 24 CFR Part 55 -- "Floodplain Management" prescribe measures for protecting floodplains, and when amended, for protecting wetlands. Under the provisions of these Executive Orders, HUD must avoid financial support for covered activities, unless it can demonstrate that there are no practicable alternatives outside the floodplain or wetland. Therefore, if jurisdictional wetlands will be filled or impacted and/or construction and landscaping activities will occupy or modify a floodplain/floodway, documentation that the Eight-Step process has

been followed as mandated by 24 C.F.R. § 55.20 for wetlands and floodplains must be provided as a part of the HOME and HUD Environmental Questionnaire. The decision making process for compliance with this part contains eight steps, including public notices and an examination of practicable alternatives. The steps to be followed in the decision making process are outlined in the 2008 Environmental Manual. Documentation of the Eight-Step process must be submitted at Application.

- ii. HUD Environmental Clearance & Publication Requirements: The Georgia Department of Community Affairs, as the responsible entity (RE) referred to in 24 CFR § 58.43, Environmental Review Procedures for Entities Assuming HUD Responsibilities, is responsible for undertaking environmental reviews for proposed HOME projects in accordance with the National Environmental Protection Act (NEPA). In this capacity, DCA must ensure that the environmental review process is satisfied before certain HUD funds are committed to specific projects. Environmental reviews must be completed and submitted to HUD before HOME funds are firmly committed. Therefore, when initial awards of HOME funds are announced, DCA will publish notices of its intent to allocate HOME funds in local newspapers in the proposed project's areas. After comments, if any, have been received, HUD will review the comments to determine if there has being a finding. Once that process is complete and there has been no finding, DCA will seek a release of the HOME funds in compliance with HUD procedures. Once the funds are release, the applicant can initiate development activities.

Site and Neighborhood Standards

Applications may submit the required documentation before the application. DCA will review the information and issue documentation that the property meets the requirements of site and neighborhood standards. Any threshold pass will be conditional on DCA's site review during the normal Application Round. Projects applying for HOME funds must meet additional Site and Neighborhood Standards (24 CFR Sec 92.202 and 24 CFR Sec 983.6) as mandated by the HOME regulations. DCA will determine whether a project meets these standards during its Threshold Review of Applications. DCA will determine whether a project meets these standards through review of information submitted by Applicants, independent verification of project location in census tracts, independent verification of racial composition of project area by DCA staff and through an independent visual review of the area surrounding the project site by DCA staff. A detailed check list is completed by DCA staff before each project is approved for funding.

DCA will also review application documentation and perform a site visit to determine whether there are any conditions present, which may be seriously detrimental to family life.

A determination will be made as to whether any of these undesirable conditions predominate in the neighborhood. If DCA determines that there are undesirable conditions present (substandard dwellings, abandoned buildings), it will look to determine whether there is evidence of a concerted program to remedy these conditions.

c) Labor Standards

If HOME funds are provided (whether for construction or non-construction expenses) to projects involving the construction of affordable housing consisting of 12 or more HOME units, then the contract relating to the new construction or rehabilitation must comply with the following labor standards:

- Davis-Bacon Act, 40 U.S.C. 276(a)-5
- Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-332
- Copeland “Anti Kickback” Act, 40 U.S.C. 276(c) 1982.
- All applicable regulations and HUD Handbook #1344.1

Each developer/owner is required to attend a pre-construction conference. During this conference, DCA’s Compliance Manager will distribute applicable forms and instructions relating to labor standards.

d) Affirmative Marketing

Affirmative Marketing is required when HOME-assisted housing contains five or more units. If applicable, owners of HOME-assisted housing must adopt and conduct affirmative marketing procedures and requirements, which provide information and otherwise attract eligible persons. DCA will monitor and annually assess the affirmative marketing efforts conducted by owners in compliance with this requirement.

e) Uniform Relocation Act

Uniform Relocation Act information is reviewed by DCA staff at the time of application. Each project’s compliance with relocation requirements is also monitored throughout the construction process and through lease-up by reviewing rent rolls, relocation plans and budgets and by visiting the sites. A relocation guide has been prepared by HFD for use by the applicant. This guide contains policies, procedures and forms for use in complying with all Federal and State requirements.

Voluntary acquisitions are also subject to the requirements outlined at 49 CFR 24.101, as outlined in HUD’s implementing instructions found in Chapter 5 of Handbook 1378. DCA reviews all sales contracts as well as supporting documentation at the time of application to ensure that all requirements have been satisfied and that the acquisition of the project is “voluntary” according to HUD’s standards.

f) Fair Housing, Equal Opportunity and Accessibility Laws

HOME recipients must comply with all federal, state and local laws relating to fair housing and equal opportunity, including but not limited to those listed below:

- Minority Business Enterprise Executive Orders 11625, 12432, and 12138
- The Federal Fair Housing Act (42 U.S.C. §3601 et seq. (1968))
- The Georgia Fair Housing Act (O.C.G.A. §8-3-200 et seq., (1992 Supp.))
- Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.)
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794)
- Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. §12116 et seq.)
- Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §171U et seq.)
- Executive Order 11063
- Title VI Civil Rights Act - 1964 (42 U.S.C. 2000d)

DCA staff reviews each project for compliance with each of these statutes. Each project is reviewed both during the planning stage and during construction to ensure that all applicable accessibility requirements are met.

g) Rent and Income

HOME Certification Training is offered by DCA at least bi-annually and more often if needed. The training is designed for the on-site property staff and covers rent restrictions, income limits and physical requirements. A representative from each property must have attended and successfully completed the certification testing prior to beginning of lease-up.

In addition to the HOME Certification Training, each property is visited by the HFD during lease-up. Randomly selected tenant files and policies and procedures are reviewed during this visit. If needed, additional training is offered.

Each HOME property is inspected once a year during the Period of Affordability and files are reviewed for compliance with the HOME regulations and any additional State requirements.

In addition to the requirements above, the Owner of each property is required to complete the Georgia HOME Annual Owner Certification each year. By completing the document, the owner is certifying that the subject property has complied with all appropriate Federal and State Regulations.

Georgia Dream Single Family Development Program – Development Subsidy:

Financing provided to applicants to the Georgia Dream Single Family Development Program is subject to compliance with all of the following requirements as required by applicable federal regulations based on the number of units for which financing is sought.

- a. Environmental Review: The State requires an Environmental Screening Checklist for each development site that must be submitted during the Application Process. If the site will be affected by any factor identified in the Screen Checklist, the applicant must submit a Standard Mitigation Plan demonstrating how those issues will be addressed at the site. The Standard Mitigation Plan must be completed by a qualified environmental firm and submitted at the time of the Application Process. Any costs associated with any environmental clearance issue must be accurately reflected in the appropriate development budget. A professional engineer should conduct the Phase I and II. Additionally, in accordance with the National Environmental Protection Act (NEPA), DCA provides public notice and reviews the environmental effects of proposed housing related activities throughout the state to ensure that the activities will not have an adverse effect on the environment. The Applicants requesting Home Buyer Subsidy only are not required to submit a Phase I report at the time of application submission.
- b. Uniform Relocation Act
 - 1) Uniform Relocation Act applies to all applicants submitted for the GDSFDP. The following requirements are required:
 - i. That no tenants have occupied the property for a period of one year prior to the date of purchase or option to purchase.
 - ii. Those tenants occupied the property within the past year prior to the date of purchase or option to purchase but that the tenants was not asked to move in order to participate in this transaction and that the tenants either voluntarily moved or were evicted for cause.
 - iii. That the property is tenant occupied and the Seller agrees to allow egress/ingress to the site so that required notices can be delivered to each resident, and that each resident can be surveyed to determine their replacement housing need and related moving cost. This certification must be provided on the Seller's Occupancy Certification form.
 - 2) Uniform Relocation Act acquisition rules cover all involuntary purchases for any properties receiving federal financial assistance.
 - 3) Voluntary sales are negotiated between the seller and the applicant without the threat of eminent domain or condemnation. Therefore, URA does not regulate them. However, certain notice requirements are applicable.
 - i. Owners who are voluntarily selling must receive notice that the property will not be taken by eminent domain and of the estimate fair market value.

- ii. If an applicant is not able to give the required notice prior to the initiation of the contract, then the Seller/Owner must be allowed to withdraw from the purchase agreement
 - iii. If the applicant fails to give this notice, the Seller/Owner may be able to claim that the acquisition was involuntary.
 - 4) If any exiting property is tenant occupied, the applicant must include funds to cover the relocation benefits for which the tenant is eligible.
- c. Property Standards and construction codes: All applicable state and local codes, Housing Quality Standards at 24 CFR 982.401 and local zoning ordinances must be met at the time of unit completion, housing construction, reconstruction or rehabilitated. Additionally standards may apply:
 - i. Accessibility: Must meet regulations referred in 24 CFR part 5.015(a).
 - ii. Easy living standard: applicants are encouraged to apply this standard
 - iii. State minimum standard codes
 - iv. Energy star standards: Qualified homes are independently verified to be at least 30% more energy efficient than homes built to the 1993 national Model Energy Code or 15% more efficient than the state energy code, whichever is more rigorous. Verification is conducted upon the construction method by HERS rating or Builder Option Packages (BOP's).
 - v. Manufactured housing: manufactured housing must be new, in conformance with the National Manufactured Home Construction and Safety Standards Act of 1974 as amended, permanently affixed in accordance with HUD's Handbook 4930.0, and must be multi-sectional.
 - vi. Lead-Based paint poisoning prevention act 42 U.S.U. 4831-5 et al and HUD implementing regulations at 24 CFR part 35
 - vii. Historic Housing Rehabilitation and new construction in historic districts
 - viii. Official code of Georgia 12-5-134 for installation of private wells and rules of Department of human resources public health chapter 290-5-26 for septic system
- d. Affirmative Fair Housing Marketing Plan: All applicants seeking funding under the Single Development Program proposing four or more units must have an Affirmative Fair Housing Marketing Plan (AFHMP) prepared in compliance with Fair Housing Laws, HOME requirements and other Georgia Dream Single Family Development Program guidelines. The AFHMP must be included in the Application. In addition to developing this plan, the applicant must include the following:
 - 1) An opportunity for prospective buyers to indicate how they became aware of the affordable housing opportunity
 - 2) The owner must display the fair housing opportunity logo or slogan in a high traffic area of its central office.

- 3) The applicant must develop or assign for the development of communications materials.
- e. Fair Housing, Equal Opportunity and Accessibility Laws: Applicants must comply and certify with any and all federal, state and local laws relating to fair housing and equal opportunity, including but not limited to those listed below:
- The Federal Fair Housing Act 42 U.S.C. §3601 et seq. (1968))
 - The Georgia Fair Housing Act O.C.G.A. §8-3-200 et seq, section 804(a-e), 805, 806
 - Title VI Civil Rights Act - 1964 42 U.S.C. 2000d)
 - Title VIII Civil Rights Act - 1968 42 U.S.C. 3601 et seq.
 - Minority Business Enterprise Executive Orders 11625, 12432, and 12138
 - Age Discrimination Act of 1975 42 U.S.C. §6107
 - Section 504 of the Rehabilitation Act of 1973 29 U.S.C. §794
 - Americans with Disabilities Act of 1990 (ADA) 42 U.S.C. §12116 et seq.
 - Section 3 of the Housing and Urban Development Act of 1968 12 U.S.C. 417 1 U et seq.
 - Executive Order 11063 as amended by Executive order 12259
 - Affirmative Marketing in accordance with HOME Final Rule at 24 CFR 92.351
- f. Davis-Bacon: Every project approved that includes 12 or more units assigned with HOME funds must contain a provision requiring payment of not less than the wages prevailing in the locality to all laborers and mechanics employed in the development of any part of the housing.
- g. Financial Management: the HOME Final Rule (24CFR part 92) and the Code of Federal Regulations regulate the financial management and administration of the GDSFDP.
- i. Record keeping and retention requirement-Applicants must establish and maintain projects records for a minimum of five years, be maintained in an accessible location, be well organized
 - ii. Procurement standards: Applicants must use their own procurement regulations which reflect applicable State, Federal and local laws, rules and regulations.

Permanent Supportive Housing Program:

The State has developed and implemented compliance monitoring procedures to ensure proper implementation of all HOME regulations. The compliance responsibilities begin with the award of the Permanent Supportive Housing Program funding and will continue through the end of the Compliance Period, the Period of Affordability, or the term of the Permanent Supportive Housing Loan, whichever is longer.

DCA will monitor the property for compliance with all applicable HOME regulations prior to loan closing, during construction/rehabilitation, and throughout the period of affordability. At the pre-construction conference, the owner will receive a complete package of HOME compliance materials and information on training opportunities. Prior to lease up, the owner will be required to attend a DCA Compliance workshop that will cover lease-up regulations and compliance requirements throughout the period of affordability. Each HOME funded rental property is inspected once a year during the Period of Affordability and files are reviewed for compliance with the HOME regulations and any additional State requirements.

Per instructions provided in the applicable Application and Operations Manual, all applicants must provide detailed information in their application as to how they will ensure that they comply with federal regulations. Prior to the signing of a loan agreement compliance staff will review all approved applications to ensure compliance.

A loan provided to applicants to the Permanent Supportive Housing Program is subject to compliance with all of the following requirements.

- a. Environmental Review: The State requires site-specific environmental assessment for all development proposals being considered for funding with HOME funds. At a minimum, DCA requires a Phase I Environmental Site Assessment in accordance with standards developed by the American Society for Testing and Materials (ASTM). In addition, DCA also requires that the Phase I address, asbestos, mold, lead-based paint, lead in drinking water, radon, PCBs, floodplains and wetlands. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections. Additionally, in accordance with the National Environmental Protection Act (NEPA), DCA provides public notice and reviews the environmental effects of proposed housing related activities throughout the state to ensure that the activities will not have an adverse effect on the environment.
- b. Site and Neighborhood Standards: DCA requires all applicants who will be constructing new rental housing units to comply with the site and neighborhood standards of 24 CFR 983.6(b). Applicants must provide detailed information regarding the proposed project site and must complete a site and neighborhood standards certification for review. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.

- c. Uniform Relocation Act: DCA requires that all Applicants that propose a project funded with a Permanent Supportive Housing loan must ensure that all reasonable steps are taken to minimize the temporary and permanent displacement of persons (families, individuals, businesses, nonprofit organizations) because of the construction or rehabilitation of a project. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.

- d. Federal Labor Standards: For HOME funded projects involving the construction of affordable housing consisting of 12 or more units, DCA requires that the contract relating to new construction or rehabilitation must comply with the following labor standards:
 - Davis- Bacon Act, 40 U.S.C. 276(a)-5
 - Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-332
 - Copeland “Anti Kickback” Act, 40 U.S.C 276(c) 1982
 - All applicable regulations and HUD Handbook #1344.1

- e. Prior to loan closing, DCA conducts a pre-construction conference to discuss all of the required federal labor standards, issue wage decisions, provide information on Section 3 reporting requirements, provide information on MBE/WBE reporting requirements, and to provide Labor Standards and OSHA safety standards posters. Owners and contractors are also notified that compliance staff will visit the site to ensure compliance.

- f. Affirmative Fair Housing Marketing Plan: All applicants seeking Permanent Supportive Housing Program funding must develop and submit to DCA a written affirmative marketing plan. Using a form provided by DCA, the applicant is required to document its Plan and assemble related documentation. Once the Plan has been approved by DCA, the applicant must keep the Plan on the central office premises, along with a copy of the federal and state Fair Housing Act, both of which must be available for review by the general public. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.

- g. Subsidy Layering: Before committing HOME funds to a project, DCA will review the sources/uses of funds statement, commitment letters, partnership agreements, formal application, pro forma, plans, specifications cost estimates and any other documentation submitted by the applicant that DCA deems pertinent. A review is conducted to ensure that the appropriate level of HOME and DCA funding levels are not exceeded. A detailed Loan Memorandum and Financial Analysis is

prepared that accounts for each required review document. Once the review has been completed, an evaluation form shall be documented and placed in the project file.

- h. Rent and Occupancy Requirements: The HOME program establishes rent and occupancy requirements for all units assisted with HOME funds. The HOME program requires that each building in a HOME-assisted project contain housing that meets the applicable HOME rent and occupancy requirements throughout the affordability period. Applicants are provided detailed information on income eligibility and determining the maximum rent that can be charged to a tenant for HOME-assisted units. During application review, DCA will verify that rents submitted do not exceed the maximum rent limits and that the applicant has included provisions in the application regarding the potential tenant's income. Incorrect rent amounts will be adjusted by DCA and the actual project rent limits will be written into the Land Use Restriction Agreement, which will be recorded at the closing of the HOME loan. At the time of lease up, DCA will verify that units were rented to income eligible tenants.
- i. Fair Housing, Equal Opportunity and Accessibility Laws: HOME recipients must comply with any and all federal, state and local laws relating to fair housing and equal opportunity, including but not limited to those listed below:

Minority Business Enterprise Executive Orders 11625, 12432, and 12138
The Federal Fair Housing Act (42 U.S.C. §3601 et seq. (1968))
The Georgia Fair Housing Act (O.C.G.A. §8-3-200 et seq., (1992 Supp.))
Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.)
Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794)
Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. §12116 et seq.)
Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §171U et seq.)
Executive Order 11063
Title VI Civil Rights Act - 1964 (42 U.S.C. 2000d)

DCA staff reviews each project for compliance with each of these statutes. Each project is reviewed both during the planning stage and during construction to ensure that all applicable accessibility requirements are met.

EMERGENCY SHELTER GRANT (ESG)

The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's allocation of Emergency Shelter Grant (ESG) Program funds. GHFA contracts with the Georgia Department of Community Affairs (DCA) to administer its ESG funds. As a result, with the assistance of HUD, DCA will be responsible for compliance monitoring of all projects funded through this HUD program.

The State will monitor the Grantee's participation in the Program to ensure compliance with program regulations promulgated by HUD at 24CFR part 576 for ESG programs designed to benefit homeless persons. Monitoring recipients is an important function of the State. Each year, randomly selected participating providers are monitored. Among other items, the monitoring visit reviews such areas as financial record systems, program benefits, and other program rules. The State also provides written certifications to HUD regarding compliance of each project with appropriate environmental regulations, and all grantees must conform to the HUD rule for verifying homelessness.

In addition, program monitoring of the ESG Program will include on-site visits to each Grantee once every three years or more often as deemed necessary by the State based on application, reimbursement or reporting submissions. Grantees receiving an allocation for the first time must be monitored with an on-site visit before funds are drawn for current contract year. Grantees are notified in advance of all on-site monitoring visits, but DCA personnel may not be 'steered' by subgrantees in random sampling of case files, etc. After each monitoring visit is complete, DCA sends each Grantee an exit monitoring report. Project accomplishments, areas of deficiencies and technical assistance needs are highlighted in this report, which serves to confirm issues discussed during the on-site monitoring review process and to give grantees advance notice of deficient areas requiring attention. A grantee's noncompliance in the reimbursement, desk audit, and/or reporting processes can also trigger a monitoring visit by DCA.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's allocation of Housing Opportunities for Persons With AIDS (HOPWA) Program funds. GHFA contracts with the Georgia Department of Community Affairs (DCA) to administer its programs. DCA will monitor the Grantee's participation in the Program to ensure compliance with program regulations promulgated by HUD at 24 CFR, Part 574 for HOPWA programs designed to benefit persons with HIV related needs. Monitoring recipients is an important function of the Georgia Department of Community Affairs (DCA).

Efforts connected with HOPWA continue to be strengthening existing programs through, in part, diversification of housing programs within sponsor agencies, and renewed and targeted monitoring efforts. Grantees receiving HOPWA funding, will receive an on-site monitoring visit each contract year. After each monitoring visit is complete, DCA will send each HOPWA Grantee an exit monitoring report. Project accomplishments, areas of deficiencies and technical assistance needs are highlighted in this report, which serves to confirm issues discussed during the on-site monitoring review process and to give grantees advance notice of deficient areas requiring attention.

DCA relies upon thorough application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at DCA to test compliance. On-site monitoring, therefore, is largely limited to eligibility of

beneficiaries and a comparison of program records with the programmatic claims of the applicant.

HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The Georgia Department of Community Affairs will continue to administer the Housing Choice Voucher Rental Assistance program in 149 of Georgia's 159 counties. This program provides rental subsidies to participating landlords on behalf of low and very low-income families and individuals.

Monitoring procedures of this program include annual inspections of units to ensure compliance with HUD Housing Quality Standards (HQS) and a separate program audit that monitors compliance with federal regulations. A financial audit of the program is also conducted annually.

LOW-INCOME HOUSING TAX CREDITS

Compliance with federal and state regulations is necessary to maintain the State's eligibility to receive federal Low Income Housing Tax Credits. The Georgia Housing and Finance Authority (GHFA) is designated by the Governor as the State Allocating Agency. GHFA contracts with the Georgia Department of Community Affairs (DCA) for the administration of this program, including implementation of all monitoring requirements.

Once a tax credit allocation is received, the State monitors the recipient's compliance with federal and state regulations and procedures. Representatives of each rental project receiving a tax credit allocation must annually participate in or submit the following items:

- **Compliance Training Seminar:** Within 45 days of either the receipt of a tax credit or the date the rental project is placed in service, whichever is earlier, the owner or developer and the authorized representative must meet with a DCA staff member or attend a DCA compliance training seminar to review program requirements and the owner's responsibilities, including such areas as:
 - Federal regulations to determine eligibility of low-income tenants;
 - Specific information necessary in tenant applications for continued LIHTC program compliance;
 - Income limits;
 - Rent limits;
 - Income verifications;
 - Annual income and assets;
 - Income Certifications;
 - Leases;
 - Quarterly Occupancy Status Reports;
 - Annual Owners Certifications;

- Owner responsibilities to notify the State of changes in management or ownership and to comply with annual certification requirements; and,
 - Non-Compliance issues.
- Occupancy Status Reports: Starting on the date the building is placed in service. Occupancy Status Reports are due quarterly and must be accompanied by Income Certifications for tenants who have moved into the development and for those tenants who were recertified during the report period.
- Site Visit/Management Review: To ensure compliance with Section 42 of the Internal Revenue Code, DCA periodically schedules a site visit to inspect the conditions of the apartments, randomly select tenant files for review, and interview tenants. In particular, DCA verifies that all sources of tenant income are documented in accordance with DCA program guidelines and monitors rent restrictions under Section 42(g) of the Internal Revenue Code.