

**GEORGIA DEPARTMENT
OF COMMUNITY AFFAIRS**



State of Georgia Consolidated Plan



*Executive Summary
&
Annual Action Plan
for FFY2004 Consolidated Funds*

May, 2004

**INTERIM CONSOLIDATED PLAN OF THE
STATE OF GEORGIA**



**EXECUTIVE SUMMARY
&
ANNUAL ACTION PLAN FOR FFY2004
CONSOLIDATED FUNDS**

***Sonny Perdue
Governor***

Prepared by:

***Georgia Department of Community Affairs
Mike Beatty, Commissioner***

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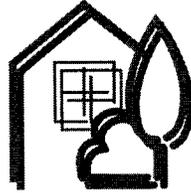
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CITIZENS SUMMARY

The State of Georgia Consolidated Plan describes how State, local, private and federal resources will be used to increase the supply of affordable housing for low and moderate income Georgians, establish and maintain a suitable living environment, and expand economic opportunities for its citizens. 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 (ESGP), Housing Opportunity for Persons with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) - to meet the affordable housing and community development needs of Georgia. The document updates the state's assessment of the housing needs of low and moderate income Georgians; provides a five-year Strategic Plan outlining priorities, objectives and the investment of resources to meet these goals. The State has updated its Action Plan for use of FFY2004 consolidated formula funds to meet its identified priorities and objectives during SFY2005 (July 1, 2004 – June 30, 2005).

Citizen participation is an integral part of the consolidated planning process. While preparing the State's updated Annual Action Plan, input on Georgia's housing and community development needs was received at public hearings held at four locations – Atlanta, Macon, Valdosta, and Hinesville. 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 February 1, 2004. All public comments received through the citizen participation process have been incorporated into the final Annual Action Plan and are included for review in Appendices B and C of the Action Plan.

The State of Georgia 2004 Qualified Allocation Plan for the Federal Low Income Housing Tax Credits, Georgia Housing Tax Credits, and HOME Investment Partnership Program funds has also been available for public comment. Public hearings were held November 17th through November 21st in Columbus, Dublin, and Atlanta and written comments were accepted until November 30, 2003.

The Georgia Department of Community Affairs will serve as the lead agency in the State's implementation of the Consolidated Plan for SFY2005.

STATE PROFILE

Estimated Census figures indicate that approximately 8.3 million people reside in Georgia, an increase of 26.4% since 1990. During the 1980's Georgia's population grew by over one million persons. During the 1990's, the population of Georgia grew by almost 2% every year and the state is one of the fastest growing in the nation. Georgia's recent growth has been concentrated in the metropolitan areas that experienced a 15.8% increase between 1990 and 1996. In contrast, Georgia's rural areas grew by only 8.9% during the same time. The Atlanta MSA has a growth rate that is nearly two-thirds greater than the other MSAs in Georgia and contains three counties that are ranked among the top ten fastest growing counties in the nation (Forsyth, Henry, and Paulding). Migration from other parts of the country has tapered off

somewhat with an almost 2% higher share of the population growth in the Atlanta MSA coming from within the state in 1999.

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

HOUSING MARKET CONDITIONS

The housing market, in terms of home sales and homeownership, has been on the rise nationwide for the last several years. In 1999 records were set in both of these areas. HUD reports that the Atlanta area was the "nation's busiest housing market" in 1999. Authorized building permits in the Atlanta area increased 5% from 1998. Building permits for multifamily dwellings in 1999 increased 7% from the prior year. Atlanta's housing market remains relatively affordable compared to the average metropolitan housing market in the nation. Single family units continue to be the most prevalent type of construction for the state of Georgia. In 2002, 77% of the new construction permits issued were for single family units, 2% were for multifamily units, and 21% of the new units were manufactured homes.

Private housing developers in the state's slow growth regions may experience difficulties or lack the necessary financial incentive to construct housing units with conventional financing. In Georgia's growth regions, continued public financial assistance is necessary to help maintain affordable housing. Needed incentives range from housing vouchers for low income tenants to financial subsidies paid directly to developers to construct affordable housing.

HOUSING STRUCTURAL CONDITIONS

Census figures do not provide information by state on the structural condition of housing units and implementation of such an analysis at the state level is infeasible. Most counties have incorporated a housing element into their state-mandated comprehensive planning effort. As these plans are aggregated into regional plans, the information may lead to a more detailed analysis when the five year Consolidated Plan is revised.

The age of a housing structure is often used as a proxy for the condition of an area's housing stock. Recognizing the limitation that no information is provided on the maintenance of the structure, age does provide some measure of housing condition. Approximately 14% of all housing units in Georgia were over 40 years old. The average structure in Georgia was between 21 and 40 years old. Housing in non-metropolitan areas is generally older than in the state's urban counties.

HOUSING NEEDS OF GEORGIANS

Regardless of tenure, income or household size, the most common problem affecting all households is cost burden. One in every four households pays at least 30% of their income for housing. Approximately 39% of these cost burdened households and 10% of all households are severely cost burdened, devoting at least 50% of their income on housing costs.

Renters are more affected by housing problems than homeowners. 41% of all renters, compared to only 22% of all homeowners, have at least one housing problem.

40% of all Georgia households are of low or moderate income. Housing problems affect 75% of all extremely low income households.

63% of all elderly households are of low or moderate income, with the largest concentration in the extremely low income range. 29% of all small family households are of low or moderate income. Cost burden is the most significant problem affecting both elderly and small family households. 40% of all large family households are of low or moderate income. Overcrowding is the most significant concern of this household type.

THE NEEDS OF HOMELESS GEORGIANS

Every county of the State of Georgia was included in a 2000 HUD Homeless Continuum of Care Plan. Each Continuum of Care Plan included a Homeless Gaps Analysis Chart, which reported estimated needs, present supply and unmet gaps. This is the first time that “estimates of homeless” were submitted for all of the state and accepted by units of government, as opposed to advocate estimates or projections. Following are the Estimate of Homeless Need for the State, by Continuum of Care Plan Jurisdiction. Almost 30,000 individuals were estimated to be homeless in the State for the same period.

Estimated Need for Shelter for Homeless Individuals

Athens	Atlanta	Augusta	Cobb	Columbus	Gwinnett	Macon	Savannah	Other
123	8,250	876	604	1,700	530	340	425	3,811

Estimated Need for Shelter for Homeless Persons in Families & Children

Athens	Atlanta	Augusta	Cobb	Columbus	Gwinnett	Macon	Savannah	Other
132	2,750	750	604	1,200	1,615	290	671	4,663

With the State’s Continuum of Care encompassing 152 counties and about 500 cities, it would be cost prohibitive if not logistically impossible to initiate point in time surveys. Important subsets of the homeless population with specific and differing needs include victims of domestic violence, children and youth, chronic substance abusers, persons with HIV/AIDS-related diseases, and individuals with severe mental illness. The State expects to be able to create more current planning solutions for the homeless populations in need with the development of the Homeless Management Information System (HMIS).

DCA funded programs across the state made available a total of 5,589 beds in 2002-2003, with approximately 3,881 of these beds located within the recently expanded Atlanta Metropolitan Statistical Area (MSA). Many bed spaces are targeted for specific groups, further reducing the number of bed spaces available to the entire homeless population. A wide continuum of supportive services is required to effectively facilitate a successful transition from homelessness into permanent and stable housing.

BARRIERS TO AFFORDABLE HOUSING

Insufficient income is the single largest barrier to affordable housing. Other obstacles include high land and construction costs; low fair market rents established by HUD; appraisal values on properties that are often lower than rehabilitation costs; discriminatory behaviors; and Not In

My Back Yard (NIMBY) reactions by citizens and subsequent policies of local governments that discourage and prohibit development of affordable housing opportunities in certain neighborhoods.

LEAD-BASED PAINT

Estimates based on the age of housing indicate that over 800,000 housing units occupied by low and moderate income families in Georgia may contain lead-based paint. Blood lead levels greater than 10 ug/dl of whole blood was established by the federal Centers for Disease Control (CDC) in 1994 as an intervention level or a point where adverse health effects have been documented. Since 1994, more than 1,000 children have been identified with a confirmed case of lead poisoning. At the end of 1996, only one Georgia county had over 350 cases, only three counties had over 100, the rest were under 100 cases per county.

COMMUNITY DEVELOPMENT NEEDS

The non-housing community development needs of the state’s small and rural communities are vast and varied but difficult to quantify. This difficulty in part is due to the large geographic area involved and because, unlike housing, there is no systematic collection of data. One way to estimate non-housing community development needs is to analyze the types of CDBG projects applied for by these communities. Because these applications are based on what local governments, in consultation with residents, have determined to be priorities, the range of applications gives a good approximation of the type of needs facing smaller and rural communities.

For the FFY2003 Regular Annual CDBG Competition the State received 186 requests totaling \$88,466,346. Of these non-housing public facility requests totaled 172 applications for \$80,373,041. Staff analysis indicates that nearly all these requests are needed projects but funds are not available to fund all needed projects.

The following Table indicates the number of public facility projects by type of request.

PROPOSED PUBLIC FACILITY PROJECTS

<u>Type</u>	<u>Number</u>	<u>Type</u>	<u>Number</u>	<u>Type</u>	<u>Number</u>
Water	42	Multi-Infrastructure	22	Health Ctr.	5
Sewer	22	Senior Ctr.	4	Head Start	1
Water & Sewer	5	Drainage	3	Youth Ctr.	7
Learning Ctr.	2	Street/Drainage	37	Battered Women Ctr.	3
Mental Health Ctr.	3	Improvements.		Multi-Purpose Ctr.	12
		Group Homes	2		

As in previous years, water and/or sewer needs predominate with 69 (38%) of the requested projects. The biggest change over the past three years is that the number of requests for street and/or drainage improvements have greatly increased so that in 2003 they amounted to 22% of the requests. Another change over the past several years is a large drop in the number of

requests for new Health Centers and Facilities for Senior Citizens and increasing numbers of multi-purpose centers, group homes for abandoned children and family violence shelters.

The need for job creation projects has also been increasing over the past few years as reflected in the higher unemployment rate and continued economic restructuring. This is reflected in the fact that requests for funding through the CDBG Employment Incentive Program are at an all-time high. To help meet this need in FFY2003 the State increased the set-aside of CDBG funds for the EIP Program to \$7,000,000. Also for FFY2004, the set-aside for the Redevelopment Fund is increased from \$750,000 to \$1,500,000.

Obstacles to meeting local government non-housing community development needs include limited funding availability and the lack of local or regional capacity to develop competitive CDBG applications or to administer projects. This need seems especially acute for economic development projects and activities involving the abatement of lead paint hazards. To assist in addressing this obstacle, the State sets aside CDBG funds for technical assistance activities.

HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

VISION FOR CHANGE

During the five year period of SFY2001 to SFY2005, the State anticipates providing assistance to put over 50,000 extremely low, low and moderate income households in affordable housing free of overcrowded, structurally substandard conditions, with supportive services where appropriate for approximately 9,600 persons daily 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 free of overcrowded and structurally substandard conditions.
- ◆ To increase the number of Georgia's low and moderate income households who have achieved and are maintaining homeownership free of overcrowded and structurally substandard conditions.
- ◆ To increase the access of Georgia's homeless to a continuum of housing and supportive services that 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 provide financial assistance to eligible local governments to meet their locally identified community and economic development needs.
- ◆ To increase the number of jobs in non-entitlement areas available for low and moderate income persons.
- ◆ To provide funds for eligible units of local government to help meet their immediate health and safety 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.

The State recognizes that its efforts to improve the production of housing and supportive service providers will be reflected in the number of households who directly benefit from their assistance. Therefore, the State has not established separate, quantifiable objectives for its production improvement goals within its Strategic and Action Plans.

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 between July 1, 2000 and June 30, 2005. 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 expected to be available over a five year period, that the State will provide the following benefits for low and moderate income Georgians:

- ◆ Rehabilitate or construct 3,514 affordable rental housing units.
- ◆ Provide rental assistance for 41,839 households.
- ◆ Assist 5,481 households to achieve or maintain homeownership in housing free of overcrowded and structurally substandard conditions.
- ◆ Assist a daily average of 9,600 homeless individuals with housing and supportive services.
- ◆ Assist organizations to provide housing and supportive services to 1,850 Special Need households with housing and supportive services.

ELIMINATING BARRIERS TO AFFORDABLE HOUSING

Georgia has a strong and growing commitment to making decent affordable housing available to all residents. Over the last fifteen years, governments at both the state and local level have made important strides toward this goal. The State requires each local government to consider affordable housing needs within its mandated comprehensive plan. Several local governments are working to eliminate disincentives associated with tax delinquent properties and gaining clear property title in an effort to encourage affordable housing development and investment in blighted neighborhoods. Other local governments have instituted progressive changes in the levy of property taxes.

The State will continue these efforts over the next five years. 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, and implementing actions recommended in the Impediments to Fair Housing Choice Analysis.

Acknowledging the importance over the next five years of improving the capacity of its institutional structure to deliver affordable housing, the State has established the following priority: *to increase the capacity and skills of local nonprofit organizations and other providers to offer housing assistance.*

FAIR HOUSING

The State General Assembly established the Commission on Equal Opportunity to administer the State's policy for fair housing throughout the state. All departments and agencies of state government are mandated to administer their programs related to housing and urban development in a manner that affirmatively furthers the State's fair housing policy.

HUD formally notified the State Commission on Equal Opportunity in January 1996 that the State's fair housing law and policies to administer the law are substantially equivalent to those created under the federal Fair Housing Act. Based on this certification, HUD will refer to the Georgia Commission on Equal Opportunity all complaints alleging a discriminatory housing practice within the jurisdiction of the State. In cases within the jurisdiction of a local community whose fair housing law and administration has also been found by HUD to be substantially equivalent, the discriminatory complaint will ultimately be referred to the appropriate local agency.

The Georgia Department of Community Affairs will also implement all fair housing policies associated with HUD's consolidated formula funds as required by HUD Consolidated Plan regulations issued January 5, 1995; Title VIII of the Civil Rights Act of 1968; and to policy adopted by the State's General Assembly. The State will also continue to contract with Georgia Legal Services to respond to assistance requests regarding tenant/landlord responsibilities and rights.

PUBLIC HOUSING AUTHORITIES

Public Housing Authorities (PHAs) implement a large portion of Georgia's housing assistance effort. Local governments have created 190 PHAs, providing public housing. This number represents a decrease from May 2000 as the result of the consolidation of several authorities. As of November 2000, 42,409 Georgia households benefited from Housing Choice Voucher rental subsidies. There were also 51,672 units of local public housing available across Georgia. PHAs utilize funds from public housing rent receipts, federal subsidies from HUD, and proceeds from bond issues for some development costs.

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.

While DCA is not a traditional housing authority, DCA does function as a Housing Choice Public Housing Authority and assists extremely low-income, very-low income and low-income Georgians rent decent and affordable housing. The State, through the Community Services

Division, administers the U.S. Department of Housing and Urban Development (HUD) Housing Choice Program (HCV) in 149 of Georgia's 159 counties. Community Services began administering the HCV program in 1976 and as of January, 2004, assisted Georgians as follows:

DCA HOUSING CHOICE VOUCHER PROGRAM ACTIVITY

<u>PROGRAM</u>	<u>UNITS</u>
Vouchers	
HCV	13,675
Mainstream	75
Welfare to Work	2,151
Modern Rehabilitation	303
Administrative Port-Ins	N/A
Administrative Port-Outs	N/A
Total	16,204

ANTI-POVERTY STRATEGY

In 1992, Census statistics indicated that nearly 18% of Georgia's population lived below the poverty line, higher than the national percentage of 15%. According to the most recent estimates (2002), the percent of Georgia's population living in poverty has declined to 12%. While this figure is still higher than the national figure of just over 11%, Georgia's figure has fallen faster than the national figure since 1992. Some of this change can be attributed to the state's rapid population growth and the growth of the state's economy in terms of the number of new jobs created.

The State has established several goals to reduce poverty among its residents:

- ◆ To provide a range of services and activities having a measurable and potentially major impact on conditions of poverty in the community, or those areas of the community 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; gain 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 governmental and other social service programs to assure the effective delivery of such services to low income individuals; and,
- ◆ To encourage the private sector to become involved in efforts to ameliorate poverty.

HOUSING AND COMMUNITY DEVELOPMENT RESOURCES

The State expects to tap a variety of federal resources to address Georgia's housing and community development needs. These resources include the four programs 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 (ESGP) programs. HUD has notified the State of its eligibility to receive a consolidated formula allocation of FFY2004 funds totaling \$76,865,118. These funds are divided between programs as follows: CDBG (\$47,131,155); HOME (\$24,180,796); ESGP (\$2,004,224); HOPWA (\$1,515,000); and ADDI (\$2,033,943).

HUD also will make available additional resources from these five programs directly to individual entitlement or participating jurisdictions to address housing and community development needs within their communities.

The State anticipates the availability of the following federal program funds or incentives to address Georgia's housing and community development needs during SFY2005. The additional funds will address the following general topic areas:

Affordable Housing: Housing Choice Program Rental Certificates and Vouchers, 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, and HUD Fair Housing Organizations Initiatives

Homeownership: HUD Self-Help Homeownership (SHOP) Program, USDA- RD Section 502 Guaranteed Rural Housing Loan Program, USDA-RD Section 502 Direct Loan Program, Housing Choice Certificates and Vouchers.

Public Housing: Comprehensive Grant Programs, Public Housing Development funds, HOPE VI Revitalization and Demolition Programs

Homelessness: HUD Shelter Plus Care, HUD Supportive Housing program, HUD Section 8 Moderate Rehabilitation for Single Room Occupancy for Homeless Individuals program, Safe Havens Demonstration program

Special Need Housing: USDA-RD Home Improvement Loans and Repair and Grants, the Supportive Housing Program, HUD Supportive Housing for the Elderly (Section

202) program, HUD Supportive Housing for Persons with Disabilities (Section 811), USDA-RD Section 514 Farm Labor Housing Loans and Grants

Non-Housing Community Development Needs HUD Brownfields Economic Development Initiatives, HUD Economic Development Initiative, 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 Local Technical Assistance and Planning Grants, and USDA-RBS Rural Technology and Cooperative Development Grants

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 cooperative 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.

ACTION PLAN FOR SFY2005

The Action Plan details the State's plan for use of its consolidated formula FFY2004 funding allocation from the U.S. Department of Housing and Urban Development during, a time period beginning July 1, 2004 and ending June 30, 2005. This allocation is divided between programs as follows: CDBG (\$47,131,155); HOME (\$24,180,796); ESGP (\$2,004,224); HOPWA (\$1,515,000); and ADDI (2,033,943).

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Non-Housing Quantified Objectives

The table below presents the State's proposed quantified objectives for the non-housing component of the Community Development Block Grant Program. The proposed objectives are presented to give citizens an idea of the types of projects that may be funded with FFY2004 CDBG funds.

PROJECTED NON-HOUSING QUANTIFIED OBJECTIVES: FFY2004 CDBG PROGRAM

Program Area	Measure	Proposed Objective
Economic Development (EIP)	Number of Businesses Expected to be Assisted.....	25
Immediate Threat and Danger	Number of Grants Expected to be Made.....	10
Redevelopment Fund.....	Number of Projects Anticipated.....	4
Regular Competition.....	Number of Grants Expected to be Made.....	75
	Number of Water and/or Sewer Projects	30
	Number of Streets and/or Drainage Projects.....	30
	Number of Multi-purpose Infrastructure Projects.....	5
	Number of Senior Citizen Centers	2
	Number of Mental Health and Centers for the Developmentally Disabled.....	1
	Number of Public Health Centers	1
	Number of Child Day Care and Head Start Centers	1
	Number of Multi-Purpose and Other Centers	5

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.

Depending on the amount of funds actually appropriated by Congress, DCA expects to annually award (including the annual competition, Redevelopment Fund, EIP and ITAD) approximately 110 grant awards. Of course, the actual number will be determined by the actual 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 (FFY2003) 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.

For the FFY2003 CDBG competition the amount of cash match required and pledged was \$751,709. The amount of the cash match for the CDBG competition covered by this plan will depend on the profile of the grants actually funded during the 2004 Program Year, but should be comparable.

In addition, all CDBG applications receive up to 30 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” can not be predicted until applications are received. The FFY2003 CDBG competition leveraged nearly \$30,000,000 in additional resources for non-housing community development projects.

Use of Technical Assistance Funds

The Housing and Community Development Act of 1974, as amended, allows up to 1% of each year's CDBG allocation to be used 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.

For the upcoming year, DCA expects to use the funds as follows:

- * On-site technical assistance concerning grant administration, compliance and management issues.
- * Real Estate Finance Course, an intensive 5-day class taught by the National Development Council under contract with DCA.
- * The Art of Deal Structuring, an intensive 5-day class taught by the National Development Council under contract with DCA.

- * Housing Rehabilitation Workshop. It is planned to design a class (or series of classes) for CDBG housing rehabilitation professionals. The class will be taught by consultants and DCA staff.

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 will operate fourteen programs to address the State's housing needs, including:

- ◆ HOME Rental Housing Loan Program provides construction and permanent loans for the construction or rehabilitation of affordable rental housing. A portion of the funds allocated to this program will be made available solely to community housing development organizations (CHDOs).
- ◆ HOME 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 or Permanent Supportive Housing programs.
- ◆ HOME CHDO Operating Assistance Program provides qualified state designated CHDOs with funding to maintain their operation and to develop their capacity to implement HOME-funded CHDO activities. Funds may be used for salaries, wages, benefits, and other employee compensation; employee education, training and travel; rent and utilities; communication costs; and equipment, materials and supplies. All activities funded under this grant must be linked to the deficiencies identified by the organization in their completed Capacity Assessment Tool. Eligible CHDOs may receive up to \$35,000 annually for up to three years.
- ◆ Permanent Supportive Housing Program provides financial assistance to developers of permanent housing for special need households. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for non-elderly special need tenants. The dwelling units must be affordable to low-income households and at least 50% of the total units must be available to the non-elderly special need tenants. Supportive services must be provided that are applicable to the needs of the targeted special need population. To implement this program, the State will use a portion of its HOME CHDO set-aside as well non-CHDO HOME funds in conjunction with an allocation of funds through the State Housing Trust Fund for the Homeless. Funding recipients eligible to receive funding from the CHDO set-aside must be qualified by the State as a CHDO.
- ◆ Georgia Dream Second Mortgage Program offers deferred payment second mortgages to cover a portion of down payment, closing costs and prepaid expenses for low-income home buyers. Loans are generally used in conjunction with the State's Georgia Dream First Mortgage program.
- ◆ Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages 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.

- ◆ CHOICE Program provides deferred payment second mortgage loans to qualified borrowers with a disability to cover costs associated with down payment costs, prepaid items and principal reduction. 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.
- ◆ Efficient or Visitable Program 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 either the ENERGY STAR® Homes, EasyLiving Home^{cm} or the EarthCraft HomesTM programs. The program provides up to \$7,500 as a deferred payment second mortgage loan to qualified applicants for principal reduction, closing costs, and prepaid loan related expenses.
- ◆ PEN Program 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 Public Protectors, Educators, and Nurses (Health Care Workers). Eligible applicants will receive up to \$7,500 as a deferred payment second mortgage loan to use towards down payment, closing costs, and other loan related expenses.
- ◆ Home At Last (HAL) will provide homeownership opportunities for households, currently receiving Housing Choice Vouchers, in which the head of household, spouse or dependent is disabled. 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. In addition, 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 costs and pre-paid items.
- ◆ Single Family Development Program will provide gap financing to stimulate the expansion of affordable homeownership opportunities and the reinvestment in distressed neighborhoods. Assistance is provided in the form of a Development Subsidy to the developer and as a Home Buyer Subsidy to the purchaser of units constructed or rehabilitated by the developer. The Development Subsidy is a grant that cannot exceed \$20,000 per unit. The Home Buyer Subsidy is a deferred payment loan of up to \$20,000 per unit. Maximum assistance available from both subsidy types is \$30,000 per unit. Eligible applicants include for-profit housing developers, nonprofit housing developers and local public housing authorities. All units in which a development subsidy is provided must also receive a loan under the State's Georgia Dream Second Mortgage, PEN, EV or CHOICE programs.
- ◆ Rural Rental Housing Development Fund provides funds to eligible entities for the construction of up to ten (10) units of rental housing targeted to low/moderate income families in rural areas of the State in which the larger HOME Rental Housing Loan Program projects are not economically feasible. Eligible entities include qualified

public housing authorities and their subsidiary nonprofit agencies. Funds may be used for land acquisition, construction and eligible soft costs. During SFY2005, recipient organizations will be selected through a Request for Qualifications issued by the State.

- ◆ Community HOME Investment Program (CHIP) provides funds for local governments to implement any approved, HOME eligible housing activity. HOME funds may be used in conjunction with State CDBG resources that are available jointly through a single application process.

AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI)

Using its allocation of federal ADDI funds, State funds appropriated as match to the ADDI program (FFY2003 only), and program income generated from the repayment of loans to the ADDI program, the state proposes to operate the following six programs using its FFY2003 and FFY2004 ADDI allocation:

- ◆ Georgia Dream Second Mortgage Program offers deferred payment second mortgages to cover a portion of down payment, closing costs and prepaid expenses for low-income home buyers. Loans are generally used in conjunction with the State's Georgia Dream First Mortgage program.
- ◆ Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages 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.
- ◆ CHOICE Program provides deferred payment second mortgage loans to qualified borrowers with a disability to cover costs associated with down payment costs, prepaid items and principal reduction. 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.
- ◆ Efficient or VISIBLE Program 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 either the ENERGY STAR[®] Homes, EasyLiving Home^{cm} or the EarthCraft HomesTM programs. The program provides up to \$7,500 as a deferred payment second mortgage loan to qualified applicants for principal reduction, closing costs, and prepaid loan related expenses.
- ◆ PEN Program is designed to assist Georgia's heroes, who help others in times of need, purchase a home of their own. This program is available to Public Protectors, Educators, and Nurses (Health Care Workers). Eligible applicants will receive up to \$7,500 as a deferred payment second mortgage loan to use towards down payment, closing costs, and other loan related expenses.
- ◆ Home At Last (HAL) will provide homeownership opportunities for households, currently receiving Housing Choice Vouchers, in which the head of household, spouse or dependent is disabled. 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. In addition, 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 costs and pre-paid items.

EMERGENCY SHELTER GRANT (ESGP)

- DCA will utilize ESGP and matching State funds to subsidize approximately 115 agencies with the provision 5,000 beds for homeless persons;
- DCA will utilize ESGP and matching State funds to provide housing to approximately 4,000 homeless persons on a daily basis;
- DCA will utilize State funds only through approximately 70 agencies statewide to deliver additional supportive services on a daily basis to the 3,300 persons referenced plus an additional 8,000 persons. These estimated 12,000 individuals daily are homeless and living in shelters, living in transitional or permanent supportive 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;
- The amount of Federal ESGP funds is not expected to change much from 2003 to 2004. While the funds are not expected to change, DCA does expect an increase in homeless persons housed and serviced during 2004 due to an increase in need as reported by nonprofit organizations statewide;
- DCA will utilize State funds to continue with the implementation of its Continuum of Care Plan. Planned actions for FFY2004 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), the continued development and publishing (written and web-based) of a directory of homeless facilities and services, 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; and
- DCA will utilize State and Federal ESGP funds to continue to develop new providers in the unserved or underserved areas of rural Georgia (outside of other ESGP entitled areas). DCA projects enhancing services in many communities in 2004.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

- In FFY2004, DCA will continue monitoring initiatives for HOPWA activities;

- DCA will utilize HOPWA funds within approximately eleven (10) agencies to sponsor an estimated 500 units of housing to house approximately 1000 low income persons with HIV or members of their families on a nightly basis;
- DCA will utilize HOPWA funds to provide HOPWA supportive to 1,500 persons with HIV or members of their families;
- DCA will encourage nonprofit agencies in the southern and southwestern area of the state to initiate HOPWA programs to meet the needs of persons with HIV/AIDS in rural areas;
- DCA will conduct a statewide meeting of rural HOPWA providers in FFY2004;
- DCA will enhance HOPWA provider networks on a regional basis in each of the 12 state regions; and
- DCA will strive to assist designated HOPWA project sponsors with the expansion or enhancement of their organizational capacity and/or current programs.

ANTICIPATED RESULTS

These activities planned for SFY2005 to meet the State's housing priorities and objectives are expected to result in the:

- ◆ Rehabilitation or construction of affordable rental housing for 845 low or moderate income households.
- ◆ Provision of rental assistance to 8,838 low or moderate income households;
- ◆ Assistance to 1,034 low or moderate income households in their effort to achieve or maintain homeownership;
- ◆ Making funding awards to organizations that provide the housing and supportive services necessary for 429 special need households to achieve decent, safe and sanitary living conditions.

In addition to the federal consolidated formula funds, the State will use the resources of the State Housing Trust Fund for the Homeless, the Georgia Housing Tax Credit, appropriations to the HOME Program by the State General Assembly, and the proceeds of mortgage revenue bonds issued by the Georgia Housing and Finance Authority to further the State affordable housing goals. However, the production levels indicated above only reflect housing-related production resulting from the State's allocation of consolidated formula funds.

***STATE OF GEORGIA
ANNUAL ACTION PLAN
FOR FFY2004 CONSOLIDATED FUNDS***

***An Update to the
State's FFY2000 Interim Consolidated Plan***

***SONNY PERDUE
GOVERNOR***

Prepared By:

***Georgia Department of Community Affairs
Mike Beatty, Commissioner***

May, 2004

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VI. ACTION PLAN



A. INTRODUCTION

This document details the State's plan for use of its consolidated formula FFY2004 funding allocation from the U.S. Department of Housing and Urban Development during SFY2005, (July 1, 2004 through June 30, 2005).

The State's allocation of CDBG funds and activities during SFY2005 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 (ESGP), 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 SFY2005 reflects the FFY2004 consolidated program funding amounts for which the State is eligible to receive from HUD. This projected allocation is divided between programs as follows: CDBG (\$47,131,155); HOME (\$24,180,796); ESGP (\$2,004,224); HOPWA (\$1,515,000). In addition, the State is anticipated to receive a combined allocation of FFY2003 and FFY2004 ADDI funds totaling \$2,033,943.

Activities planned for SFY2005 to meet the State's housing priorities and objectives include:

- ◆ Rehabilitate or construct 845 affordable rental housing units for low or moderate income households.
- ◆ Provide 8,838 low or moderate income households with rental assistance.
- ◆ Assist 1,034 low or moderate income households achieve or maintain homeownership.
- ◆ Make funding awards to organizations that provide housing and supportive services necessary to break the cycle of homelessness assisting an estimated 10,200 homeless persons daily.
- ◆ Make funding awards to organizations that provide the housing and supportive services necessary for 429 special need households to achieve decent, safe and sanitary living conditions.

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, and the proceeds of mortgage revenue bonds issued by the Georgia Housing and Finance Authority. Production levels indicated above, however, reflect only housing-related production resulting from the State's allocation of consolidated formula funds and other HUD assistance.

The exception to this is the inclusion of the State match for ESGP which is included in the homelessness production figure.

The Georgia Department of Community Affairs will serve as the lead agency in the State's implementation of the Consolidated Plan for SFY2005.

B. SF - 424 

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

APPLICATION FOR
FEDERAL ASSISTANCE

		2. DATE SUBMITTED May 14, 2004	Applicant Identifier	
1. TYPE OF SUBMISSION: Application		3. DATE RECEIVED BY STATE	State Application Identifier	
<input type="checkbox"/> Construction	Pre-application	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction			
5. APPLICANT INFORMATION				
Legal Name: Georgia Department of Community Affairs		Organizational Unit: Department: Grant Administration		
Organizational DUNS: 80-747-9084		Division: Business and Financial Assistance		
Address: Street: 60 Executive Park South		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Mr.		
City: Atlanta		First Name: Rick		
County: DeKalb		Middle Name		
State: Georgia		Last Name Huber		
Zip Code 30329		Suffix:		
Country: USA		Email: rhuber@dca.state.ga.us		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 58-1259426		Phone Number (give area code) (404) 679-3174		Fax Number (give area code) (404) 679-0565
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) State Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-218 TITLE (Name of Program): Community Development Block Grant (CDBG)		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Entire State		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: State CDBG Program for Non-Entitlement Small Communities		
13. PROPOSED PROJECT Start Date: 7/1/04		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 1-05		
Ending Date: 6*30/09		b. Project 1-05		
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$ 47,131,155 ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$ ⁰⁰	DATE:		
c. State	\$ ⁰⁰	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$ ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$ ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$ ⁰⁰	<input type="checkbox"/> Yes if "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$ 47,131,155 ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix Mr.	First Name Mike	Middle Name		
Last Name Beatty	Suffix			
b. Title Commissioner	c. Telephone Number (give area code) (404) 679-0585			
d. Signature of Authorized Representative <i>Mike Beatty</i>	e. Date Signed 5/14/04			

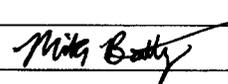
**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application		<input type="checkbox"/> Pre-application	2. DATE SUBMITTED May 14, 2004	Applicant Identifier
<input type="checkbox"/> Construction	<input type="checkbox"/> Construction	<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction	3. DATE RECEIVED BY STATE
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction	State Application Identifier
5. APPLICANT INFORMATION		4. DATE RECEIVED BY FEDERAL AGENCY		
Legal Name: Georgia Housing & Finance Authority		Organizational Unit: Department: Office of Special Housing Initiatives		
Organizational DUNS: 80-747-9084		Division: Housing Finance Division		
Address: Street: 60 Executive Park South		Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Atlanta		Prefix: Mr.	First Name: Don	
County: DeKalb		Middle Name		
State: Georgia		Last Name Watt		
Zip Code 30329	Suffix:			
Country: USA		Email: dwatt@dca.state.ga.us		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 58-1222605		Phone Number (give area code) (404) 679-0660	Fax Number (give area code) (404) 679-4844	
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) State Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): HOME Investment Partnerships (HOME)		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Entire State		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Program Description of Georgia'S FFY2004 HOME Investment Partnerships Program FFY2003 ADDI \$954,623 FFY2004 ADDI \$1,079,320		
13. PROPOSED PROJECT Start Date: 7/1/04		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 1-05		
Ending Date:		b. Project 1-05		
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$ 24,108,796 ⁰⁰	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$ ⁰⁰	DATE:		
c. State	\$ 2,834,618 ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$ ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$ ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$ 4,644,278 ⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$ 31,659,692 ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix Mr.	First Name Mike	Middle Name		
Last Name Beatty		Suffix		
b. Title Executive Director		c. Telephone Number (give area code) (404) 679-0585		
d. Signature of Authorized Representative <i>Mike Beatty</i>		e. Date Signed 5/14/04		

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED May 14, 2004	Applicant Identifier
<input type="checkbox"/> Construction	Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: Georgia Housing & Finance Authority		Organizational Unit: Department: Housing Trust Fund	
Organizational DUNS: 80-747-9084		Division: Community Services Division	
Address: Street: 60 Executive Park South		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Atlanta		Prefix: Mr.	First Name: John
County: DeKalb		Middle Name	
State: Georgia		Last Name Bassett	
Zip Code 30329	Suffix:		
Country:		Email: jbassett@dca.state.ga.us	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 5 8 - 1 2 2 2 6 0 5		Phone Number (give area code) (404) 679-3170	Fax Number (give area code) (404) 679-0595
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) State Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Emergency Shelter Grant (ESGP) 1 4 - 2 3 1		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Entire State		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Emergency Shelter Grant Program	
13. PROPOSED PROJECT Start Date: 7/1/04		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 1-05	
Ending Date: 6/30/06		b. Project 1-05	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 2,004,224 ⁰⁰	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: 5/14/04	
b. Applicant	\$. ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$ 2,200,000 ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$. ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
e. Other	\$. ⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$. ⁰⁰		
g. TOTAL	\$ 4,204,224 ⁰⁰		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Mr.	First Name Mike	Middle Name	
Last Name Beatty		Suffix	
b. Title Executive Director		c. Telephone Number (give area code) (404) 679-0585	
d. Signature of Authorized Representative 		e. Date Signed 5/14/04	

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED May 14, 2004	Applicant Identifier
<input type="checkbox"/> Construction	<input type="checkbox"/> Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application		
5. APPLICANT INFORMATION			
Legal Name: Georgia Housing & Finance Authority		Organizational Unit: Department: Housing Trust Fund	
Organizational DUNS: 80-747-9084		Division: Community Services Division	
Address: Street: 60 Executive Park South		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Atlanta		Prefix: Mr.	First Name: John
County: DeKalb		Middle Name	
State: Georgia		Last Name Bassett	
Zip Code 30329	Suffix:		
Country:		Email: jbassett@dca.state.ga.us	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 58-1222605		Phone Number (give area code) (404) 679-3170	Fax Number (give area code) (404) 679-0595
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) State Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-241		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development	
TITLE (Name of Program): Housing Opportunities for Persons With AIDS (HOPWA)		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Program Description of Georgia's FFY2004 Housing Opportunities for Persons With AIDS	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Entire State			
13. PROPOSED PROJECT Start Date: 7/1/04		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 1-05	
Ending Date: 6/30/06		b. Project 1-05	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 1,515,000.00	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: 5/14/04	
b. Applicant	\$.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$.00		
e. Other	\$.00		
f. Program Income	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
g. TOTAL	\$ 1,515,000.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Mr.	First Name Mike	Middle Name	
Last Name Beatty		Suffix	
b. Title Executive Director		c. Telephone Number (give area code) (404) 679-0585	
d. Signature of Authorized Representative 		e. Date Signed 5/14/04	

C. FEDERAL RESOURCES AVAILABLE TO GEORGIA

OVERVIEW OF FFY2004 FEDERAL RESOURCES

The State expects to tap a variety of federal resources to address Georgia's housing and community development needs. These resources include the four programs 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 (ESGP) programs. The State estimates that \$76,865,118 in consolidated formula allocation will be received in FFY2004. These funds are divided among programs as follows:

CDBG:	\$47,131,155
HOME:	\$24,180,796
ESGP:	\$ 2,004,224
HOPWA:	\$ 1,515,000
ADDI:	\$ 2,033,943

HUD also will make available additional resources from these five programs directly to individual entitlement 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, 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 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 education to households interested in purchasing a home. The State will continue this program at the onset of SFY2005 using a sixth allocation of funds received for FFY2003. GHFA will apply to HUD for a seventh funding cycle to keep this program available through the entirety of SFY2005.

GHFA also received an allocation of HUD Housing Counseling funds in 2003 to implement the Section 8 for Homeownership counseling program. These funds allow GHFA to provide individual support services and housing counseling for households participating in the Home At Last program.

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 SFY2005. 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.

Homeownership: HUD Self-Help Homeownership (SHOP) Program, USDA-RD Section 502 Direct Loan Program, USDA-RD Section 502 Guaranteed Rural Housing Loan. USDA-RD Section 504 Home Improvement and Repair Loans and Grants, Housing Choice Vouchers for Homeownership.

Public Housing: Comprehensive Grant Program, Public Housing Development funds, HOPE VI Revitalization and Demolition Programs.

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 HOPWA.

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.

Non-Housing Community Development Needs: HUD Brownfields Economic Development Initiatives, HUD Economic Development Initiative, 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.

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. As a result of this designation, Atlanta will receive regulatory relief and tax breaks to help local businesses provide more jobs and promote community revitalization. In addition, the federal government has designated as enterprise communities areas within the City of Albany and within the Central Savannah River Area. While the concept is similar to the renewal community program, enterprise communities will receive up

to \$3 million in funding as well as technical assistance, tax incentives and federal regulatory relief. These funds will expire in November, 2004.

USDA designated Southern Lower Chattahoochee Region COG, ABC Champion Community, Terrell 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 systems and essential equipment, like fire or police vehicles and computers

The State also is working to leverage funds from the U.S. Department of Health and Human Services wherever allowable to match HUD funding. HHS program funds are considered allowable match for HUD Supportive Housing Programs. This type of leveraging enables the State to maximize resources for homeless and at-risk families throughout Georgia.

In coordination with the Governor's Council on Developmental Disabilities, DCA is working to expand affordable housing opportunities available to persons with disabilities. To accomplish this goal, DCA will work to foster communication and educate providers and partners in the business communities associated with housing finance, housing development and organizations specializing in the needs of people with disabilities. This partnership seeks to:

- Increase access to and availability of information pertinent to housing for people with disabilities;
- Increase accessible living options for people with disabilities (Rental and Owned);
- Develop an inventory of existing programs targeted to individuals with disabilities;
- Expand the involvement of financial lending institutions and other funding agencies that offer homeownership programs targeted to borrowers with disabilities;
- Increase the number of people with disabilities who own their home;
- Support efforts to market and implement the Easy Living Seal of Approval; and
- Increase the number of units in DCA's homeownership and/or rental housing finance programs that are visitable.

D. 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 State HOME Rental Housing Loan, Georgia Dream Second Mortgage, Home Access, or Habitat Mortgage Purchase programs.

BOND PROCEEDS

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.

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.

GEORGIA HOUSING TRUST FUND FOR THE HOMELESS

The Georgia Housing Trust Fund for the Homeless (HTF) plans to fund supportive housing and service programs in SFY2005 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 State Housing Trust Fund for the Homeless Commission (HTF) funds and Federal HUD Emergency Shelter Grants Program (ESGP) 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 ESGP 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 will provide financial assistance to developers of permanent housing for special need households. Eligible activities will include construction and permanent financing for the cost of constructing or rehabilitating rental housing for non-elderly special need tenants. The dwelling units must be affordable to low income households

and at least 50% of the total units must be available to the non-elderly special need tenants. Supportive services must be provided that are applicable to the needs of the targeted special need households.

Also, with HTF funds, the State will make approximately \$200,000 in matching dollars available for DCA's Shelter Plus Care initiatives. Approximately \$100,000 will also be made available for nonprofit technical assistance activities.

ONEGEORGIA AUTHORITY

The OneGeorgia Authority makes grants and loans to local government entities for economic development. Approximately \$15,000,000 will be available for capacity building and existing industry through the Equity program and approximately \$15,000,000 will be available for job creation projects. These funds are often used in conjunction with federal resources for larger economic development projects.

CDBG FUNDS LEVERAGED

Local government applicants for the CDBG Program can receive additional points in the competition for non-CDBG funds and in-kind "non cash" resources committed to the proposed project. For the CDBG awards made in FFY2003 the total amount of cash and non-cash resources pledged to the CDBG funded projects totaled \$28,963,608.

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 FFY2003 CDBG funds totals \$751,709. DCA estimates that a similar amount will be provided for FFY2004 CDBG funds covered by this Plan. The actual cash match provided will depend on the profile of grants actually funded with these funds.

E. 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 estimates that Georgia will be eligible to receive \$24,180,796 in FFY2004 HOME funds to address housing needs. The State proposes to operate the following thirteen programs using its FFY2004 HOME allocation:

- ◆ HOME Rental Housing Loan Program provides construction and permanent loans for the construction or rehabilitation of affordable rental housing. A portion of the funds allocated to this program will be made available solely to community housing development organizations (CHDOs).
- ◆ HOME 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 or Permanent Supportive Housing Loan programs.
- ◆ HOME CHDO Operating Assistance Program provides qualified state designated CHDOs with funding to maintain their operation and to develop their capacity to implement HOME-funded CHDO activities. Funds may be used for salaries, wages, benefits, and other employee compensation; employee education, training and travel; rent and utilities; communication costs; and equipment, materials and supplies. All activities funded under this grant must be linked to the deficiencies identified by the organization in their completed Capacity Assessment Tool. Eligible CHDOs may receive up to \$30,000 annually for up to three years.
- ◆ Permanent Supportive Housing Program provides financial assistance to developers of permanent housing for special need households. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for non-elderly special need tenants. The dwelling units must be affordable to low-income households and at least 50% of the total units must be available to the non-elderly special need tenants. Supportive services must be provided that are applicable to the needs of the targeted special need population. To implement this program, the State will use a portion of its HOME CHDO set-aside as well non-CHDO HOME funds in conjunction with an allocation of funds through the State Housing Trust Fund for the Homeless. Funding recipients eligible to receive funding from the CHDO set-aside must be qualified by the State as a CHDO.
- ◆ 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 Home Buyer program.

- ◆ Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages 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.
- ◆ CHOICE (Consumer Home Ownership for Independence, Choices and Empowerment) Program provides a deferred payment second mortgage loan to qualified disabled borrowers to cover costs associated with down payment, closing, prepaid items and principal reduction. 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.
- ◆ Efficient or Visitable Program 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 either 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.
- ◆ PEN Program 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 to use towards principal reduction, down payment, closing costs, and other loan related expenses.
- ◆ Home At Last (HAL) provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, in which the head of household, spouse or dependent is disabled. 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 and pre-paid items as well as for principal reduction.
- ◆ Single Family Development Program provides gap financing to stimulate the expansion of affordable homeownership opportunities and the reinvestment in distressed neighborhoods. Assistance is provided in the form of a Development Subsidy to the developer and as a Home Buyer Subsidy to the purchaser of units constructed or rehabilitated by the developer. The Development Subsidy is a grant that cannot exceed \$20,000 per unit. The Home Buyer Subsidy is a deferred payment loan of between \$7,500 and \$20,000 per unit. All units must receive a Home Buyer Subsidy. Maximum assistance available from both subsidy types is \$30,000 per unit. Eligible applicants include for-profit housing developers, nonprofit housing developers and local public housing authorities. Recapture provisions will apply to all assistance provided as a Home Buyer Subsidy. This Program will be funded utilizing 100% federal HOME funds.
- ◆ Rural Rental Housing Development Fund provides funds to eligible nonprofits for the construction of up to ten (10) units of rental housing targeted to low/moderate income

families in rural areas of the State in which the larger HOME Rental Housing Loan Program projects are not economically feasible. Eligible nonprofits include qualified public housing authorities and their subsidiary nonprofit agencies. Funds may be used for land acquisition, construction and eligible soft costs. During SFY2005, recipient organizations will be selected through a Request for Qualifications issued by the State.

- ◆ Community HOME Investment Program (CHIP) provides funds for local governments to implement any approved, HOME eligible housing activity. HOME funds may be used in conjunction with State CDBG resources that are available jointly through a single application process. Funds awarded to local governments shall not exceed \$300,000.

DISTRIBUTION METHOD

GENERAL

The State anticipates that approximately 59% of its FFY2004 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. The State will set-aside a minimum of 15% of its allocation for competitive distribution to community housing development organizations (CHDOs). An less than 1% of the FFY2004 HOME allocation will be made available to CHDOs, in the form of grants or loans, on a first-come, first-served basis. An estimated 27% of the FFY2004 HOME allocation will be available as deferred payment loans on a first-come, first-served basis to qualified home buyers through DCA’s Georgia Dream Second Mortgage program. Also an estimated 3% will be available to public housing authorities selected through a Request for Qualifications to receive education and development assistance through the Rural Rental Housing Development Fund, or to applicants proposing supportive housing projects through the Permanent Supportive Housing Program. The remaining 10% will be reserved for program administrative fees. A summary of the HOME distribution method is provided in Table 1 below.

Table 1: Proposed Distribution Method of HOME Funding

Proposed Distribution Method	Percentage Available
Available Competitively	59%
- Reserved for CHDOs	15%
Available First-Come, First-Served	27%
- Reserved for CHDOs	<1%
Available Request for Qualifications	3%
Program Administration	10%

SOURCE: DCA.

DCA intends to distribute its anticipated allocation of FFY2004 HOME funds by program as shown in Table 2; however, DCA reserves the right to redistribute this funding allocation at anytime during the course of the SFY2005 program year, as production demand warrants.

Table 2: Proposed Distribution of FFY2004 HOME Funds

Program	Proposed Allocation
HOME Rental Housing Loan program (non-CHDO allocation); Rural Rental Housing Development Fund; Permanent Supportive Housing Loan program (non-CHDO allocation); and CHDO Operating Assistance Fund.	\$7,730,134 \$3,600,000 \$3,000,000 \$50,000
HOME Rental Housing Loan (CHDO allocation); HOME CHDO Predevelopment Loan; and Permanent Supportive Housing (CHDO allocation) program	\$3,601,099 \$26,021 \$0
Georgia Dream Second Mortgage, Georgia Dream Second Mortgage Program for Individuals with Disabilities, Rural Development Georgia Dream Second Mortgage; Efficient or Visitable; Home At Last; and PEN programs	\$660,000
Single Family Development Program	\$0*
Community HOME Investment Program (CHIP)	\$3,000,000
Administration	\$2,513,542

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

APPLICATION PROCESSES

DCA will directly administer the Georgia Dream Second Mortgage Program, the CHOICE program, Efficient or Visitable Program, and the PEN Program through a state-wide network of participating lenders. The Rural Development Georgia Dream Second Mortgage program will be administered by DCA through USDA-RD. Applications will be reviewed following standard underwriting criteria 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. All complete applications will be evaluated and competitively ranked according to criteria outlined in the State's Qualified Allocation Plan.

DCA will also administer the Permanent Supportive Housing Loan Program, HOME CHDO Predevelopment Loan Program, the Rural Rental Housing Development Fund and the HOME CHDO Operating Assistance Fund. DCA will invite application to the Permanent Supportive Housing Loan and HOME CHDO Predevelopment Loan programs through a Notice of Funding Availability. DCA will evaluate applications to these programs on a first come, first served basis.

To administer the Rural Rental Housing Development Fund, DCA will solicit partners through a Request for Qualifications mailed to all public housing authorities. However, the State will work only with partners seeking to develop rental housing within any county outside of the ten-county region served by the Atlanta Regional Commission or any MSA county in which the principal city of the MSA is located. Based on this definition, the funds for this program will be provided for developments located outside of the following counties: Bibb, Chatham, Cherokee, Clarke,

Clayton, Cobb, DeKalb Douglas, Dougherty, Fayette, Fulton, Gwinnett, Henry, Muscogee, Richmond, Rockdale, and in areas in which tax credit developments are not generally feasible.

Applicants to the HOME CHDO Operating Assistance Fund will be solicited through a Notice of Funding Availability that will be mailed to current DCA certified CHDOs that have received project construction financing through DCA. DCA will work with all CHDOs applying to the program to execute a funding agreement.

The administration of the Single Family Development program will be conducted by DCA. Application to these programs will be solicited through a Notice of Funding Availability. Applications will be evaluated competitively based on criteria established in the applicable program description and the accompanying program manual.

With the remaining competitive allocation of HOME program funds, the State expects to fund applications by eligible local governments for its CHIP funds to implement any HOME eligible housing activities within their community, except tenant-based rental assistance. CDBG funds will also be available to implement complementary activities eligible under the CDBG program. Both funding sources will be available from the State through a single application process. 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 \$3 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 through the use of 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 administered by DCA's Office of Affordable Housing (OAH) will be distributed through a competitive selection process and evaluated based on standards established by the State's approved Qualified Allocation Plan. Applications submitted by the deadline will be evaluated as follows:

A. Completeness Review

Applications will be reviewed for completeness as set forth in the OAH Application Manual, including:

1. Organization of the application;
2. Inclusion of all required application forms;
3. Submission of all required supporting documents; and
4. Completion of the electronic application.

All complete projects will be reviewed to determine if the project meets the mandatory Threshold requirements as defined in the State's Qualified Allocation Plan. However, applicants that fail to meet Threshold requirements will be notified in writing (by facsimile) of the specific requirement(s) that the application does not meet. If an applicant believes the Threshold requirement(s) were met, the Applicant must respond in writing within ten (10) calendar days from the date of the DCA notification letter. The Applicant must provide a clear and specific explanation of why the Applicant believes that DCA's initial determination was incorrect. DCA will review the response and, if DCA decides that the initial determination was incorrect, the Application will be considered to have met Threshold requirement.

B. Project Selection Process

Complete applications that meet the Threshold requirements will be allowed into the Competitive Scoring process. Scored applications will be ranked in descending order by total point score. Applicants will be required to self-score their applications and fully explain their rationale in support of the scoring decision for each criterion. Generally, the highest scoring applications with favorable market studies will be allocated resources without regard to resource type requested or geographical location, except as noted in the Qualified Allocation Plan found in Appendix E. The State will provide the final results of the Competitive Scoring process to all applicants as soon as possible after the process has been completed. A separate letter will notify those applicants whose projects are selected for awards.

Through its contract with GHFA to administer federal and state resources available to develop affordable housing, DCA is obligated to ensure that these resources are used in the most effective and efficient manner possible. Accordingly, DCA desires to equitably address affordable housing needs statewide, and encourages the use of housing Credits in combination with favorable term HOME loans to help achieve the lowest affordable rents possible and to support the most proposals possible with these limited resources. Therefore, the DCA Commissioner reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or a better geographical

distribution of resources, or for any other reason judged by the Commissioner to be meritorious. For example, if a geographic area of the state will receive an inequitable share of the available resources as determined by the competitive scoring process, the Commissioner may choose to fund other proposals even though they have a lower relative ranking. Such actions will be made at the Commissioner's sole and absolute discretion. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the system, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the "Georgia Administrative Procedure Act."

HOME CHDO PREDEVELOPMENT LOAN PROGRAM

DCA will solicit applications to the CHDO Predevelopment Loan Program 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 Loan or Permanent Supportive Housing Loan. 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 development financing application is approved, the predevelopment loan will be rolled into the project's permanent financing. 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.

HOME CHDO OPERATING ASSISTANCE PROGRAM

DCA will solicit applications to the HOME CHDO Operating Assistance Program (COAP) by means of a Notice of Funding Availability that will be mailed to current DCA certified CHDOs. Applications must be submitted in the form prescribed by DCA in the COAP application. Funding decisions will be made based on the applicant's ability to provide a copy of their most recent audited financial statements, a completed Capacity Assessment Tool, and a detailed plan of expected activities to be funded and the anticipated costs of each item. Applications will be accepted on a first come, first served basis.

PERMANENT SUPPORTIVE HOUSING PROGRAM

DCA will solicit applications to the Permanent Supportive Housing Program initially by means of a Notice of Funding Availability that will be mailed to CHDOs and other interested nonprofit and for-profit housing developers.

Applications are accepted on a continuous basis and will be evaluated as they are received. 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 must be submitted with the application. DCA reserves the right to negotiate with applicants over these threshold and program criteria. Loan commitments will only be made upon the endorsement of a loan application by DCA in its sole and absolute discretion.

RURAL RENTAL HOUSING DEVELOPMENT FUND

The Rural Rental Housing Development Fund was developed to spur the construction of up to 10 units of affordable rental housing in communities across rural Georgia. DCA will implement this program through selected local public housing authorities and/or the nonprofit subsidiaries of local public housing authorities.

DCA will solicit partners through a Request for Qualifications (RFQ) mailed to all public housing authorities. However, the State will work only with partners seeking to develop rental housing within any county outside of the ten-county region served by the Atlanta Regional Commission or any MSA county in which the principal city of the MSA is located. Based on this definition, the funds for this program will be provided for developments located outside of the following counties: Bibb, Chatham, Cherokee, Clarke, Clayton, Cobb, DeKalb Douglas, Dougherty, Fayette, Fulton, Gwinnett, Henry, Muscogee, Richmond, and Rockdale.

Responses will be evaluated in accordance with selection criteria established in the RFQ. DCA will seek to fund those projects that will be located in economically disadvantaged counties and those communities where market forces have not resulted in new, rental housing construction. DCA will evaluate responses to select its PHA partners based on:

- Meeting the threshold number of units under its management;
- Documentation demonstrating demand for additional affordable units targeted to 80% of AMI;
- The vacancy rate and physical condition of existing units under its management;
- The PHA's audited financials;
- Financial capacity to commit the necessary equity (operational reserves);
- The commitment of the PHA/Nonprofit Board of Directors to develop additional housing; and,
- Narrative describing the strategic plan for meeting the community's future housing needs and the role of the PHA and/or its subsidiary nonprofit in meeting those needs.

Based on its review, DCA will select partners that will be provided up to \$600,000 in loan financing to develop new rental housing.

GEORGIA DREAM SECOND MORTGAGE PROGRAM, CHOICE PROGRAM, EFFICIENT OR VISITABLE PROGRAM, AND PEN PROGRAM

A first-time homebuyer 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 GEORGIA DREAM SECOND MORTGAGE PROGRAM

First-time home buyers may apply for a Rural Development 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 Georgia Dream Second Mortgage borrowers receive home buyer counseling prior to loan closing from USDA-RD.

HOME AT LAST

DCA will solicit applications to the Home at Last Program by sending an announcement to eligible families identified by DCA's Housing Choice Voucher Rental Assistance program. Lead Agencies will be used to assist households through the HAL program. The Lead Agency will maintain communication with the household during both pre-purchase and post-purchase periods.

During SFY2005, the HAL program will continue to be piloted in the following counties: Baker, Calhoun, Clarke, Colquitt, Decatur, Dougherty, Early, Elbert, Grady, Greene, Gwinnett, Hancock, Jackson, Lee, Madison, Miller, Mitchell, Oconee, Oglethorpe, Seminole, Terrell, Thomas or Worth.

Eligible households seeking homeownership assistance will be asked to complete a statement of interest and return it to DCA by a specific deadline. DCA will forward the information to a Lead Agency to begin assessment and contact with the household.

Eligible families have up to 30 months from the date of the first Lead Agency appointment to close on the purchase of a home. The Lead Agency will work with the homebuyer for up to two (2) years following the date the homebuyer closed on the loan.

SINGLE FAMILY DEVELOPMENT PROGRAM

DCA will solicit applications to the Single Family Development Program by means of a Notice of Funding Availability that will be mailed to public housing authorities, for-profit and nonprofit housing developers.

Applications will be evaluated and scored based on criteria established in the program description. Only applications that meet minimum threshold requirements and are economically feasible in the proposed market area will be funded. DCA will rank the final scores of each applicant project and will fund the highest scores until either all program funding is exhausted. All funding decisions will be made at DCA's sole and absolute discretion.

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 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 housing activities designed to benefit low income households for any approved, HOME eligible activity. 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 applicants are cities and counties that do not receive HOME funds directly from the U. S. Department of Housing and Urban Development. Therefore, eligible applicants include units of general-purpose local governments excluding all Participating Jurisdictions (PJ's) designated by HUD under the HOME Investments Partnership Program. Jurisdictions which are not eligible to apply for the CDBG Small Cities Program funds under federal regulations, but which are also not a designated PJ may apply for CHIP funds. Eligible activities include acquisition (with or without rehabilitation) including assistance to homebuyers, 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. 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.

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. 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 siting 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 financial statements to ensure viability and capability of performing housing development functions.
2. At least one-third of the nonprofit's board must reside in the service area.

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 January 29, 2004, the State has prequalified thirty nonprofits as CHDOs for calendar year 2004.

During SFY2005, 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 five purposes:

1. Construction and permanent financing for the construction or rehabilitation of rental housing that is located in any jurisdiction across Georgia.
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 or Permanent Supportive Housing Loan programs.
3. Construction and permanent financing for the construction or rehabilitation of rental housing for non-elderly special need tenants.
4. Operating assistance for salary and other administrative expenses to qualified CHDOs.

5. Development subsidies and home buyer subsidies to spur the construction of affordable single family units.

MATCHING REQUIREMENTS FOR THE HOME PROGRAM

The HOME program requires that the State make contributions 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 and from the proceeds of mortgage revenue bonds issued by GHFA to meet the State's HOME program match requirements.

These funds will be loaned to applicants in accordance with HOME program guidelines and the repayments of these dollars will be used as HOME funds. Other forms of match will be contributed as available on a project by project basis.

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 Annual HOME Performance Report for SFY2003 (July 1, 2002 through June 30, 2003), the State spent a majority of its funds in urban counties. Slightly over \$8.8 million (57%) in HOME funds were spent on affordable housing located in urban areas; while \$6.6 million (43%) of its funds were used in rural areas. However, the report also noted that 759 units (69%) were created in urban areas, while 337 units (31%) 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 SFY2005:

- DCA will continue implementation of its Rural Rental Housing Development Fund that will loan funds to local public housing authorities or their nonprofit subsidiaries serving areas outside the counties of Bibb, Chatham, Cherokee, Clarke, Clayton, Cobb, DeKalb Douglas, Dougherty, Fayette, Fulton, Gwinnett, Henry, Muscogee, Richmond, and Rockdale for the construction of up to 10 units of rental housing.
- The State will continue implementation of its Rural Development 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 three full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. The three marketing staff members spend the majority of their time working outside of metropolitan Atlanta.
- Further, the interest rate of the Home Buyer Program loans used in conjunction with Georgia Dream Second Mortgage loans is lower for homes located in mostly rural, targeted areas of Georgia.
- The Work Force Housing Initiative will continue to coordinate linkages between DCA, local private lenders, developers, and builders in order to address work-force housing related needs of the particular community.

- The State 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 work with USDA Rural Development to coordinate and to implement programs that serve rural Georgia. 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 HOME FUNDS USED FOR HOME BUYERS UNDER THE GEORGIA DREAM SECOND MORTGAGE, EV, PEN, HAL, AND CHOICE PROGRAMS

As previously discussed, the State proposes to operate five programs designed to assist a first-time home buyer program using HOME funds: Georgia Dream Second Mortgage, EV, PEN, HAL, and CHOICE, 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 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:

Sufficient Proceeds from Sale or Transfer:

In the event that the borrower receives sufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens), DCA will expect the HOME Loan to be paid in full. The funds recaptured from the repayment of the HOME Loan will be applied to our available Local HOME Account.

Insufficient Proceeds from Sale or Transfer:

In the event that the borrower has insufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens) or transferring the interest through an assumption or in the even of foreclosure, DCA will accept the remaining funds available based on the Settlement Statement and write-off the remaining balance, and will apply only the remaining funds received to the Local HOME Account. 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 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.

GUIDELINES FOR RECAPTURE OF HOME FUNDS USED FOR THE SINGLE FAMILY DEVELOPMENT PROGRAM

DCA's Single Family Development Program provides two forms of assistance to encourage the new construction or rehabilitation of housing for homeownership. The development subsidy ("Development Subsidy") is provided as a grant to the developer and is equal to the difference between the total development cost and the after-construction/rehabilitation appraised value of the unit. The home buyer subsidy ("Home Buyer Subsidy") is a deferred payment loan to the home buyer equal to the difference in the home value that a family of four at 65% of AMI in the county in which the unit is located can afford and not pay more than 25% of their income towards housing costs and the average sales price of all units to be constructed in the project. Each unit may have one or both forms of subsidies attached. All units must have a Home Buyer Subsidy.

The Period of Affordability for all HOME assistance will be 11 years. If a home with a Home Buyer Subsidy 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 IS 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 home buyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price (i.e. the Home Buyer Subsidy), but excludes the amount between the cost of producing the unit and the market value of the property (i.e. the Development Subsidy). Thus, only the Home Buyer Subsidy is subject to these Recapture provisions.

As a result, the following recapture provisions will be applied to the Home Buyer Subsidy both during and after the affordability period:

Sufficient Proceeds from Sale or Transfer:

In the event that the borrower receives sufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens), DCA will expect the Home Buyer Subsidy to be paid in full. The funds recaptured from the

repayment of the Home Buyer Subsidy will be applied to our available Local HOME Account.

Insufficient Proceeds from Sale or Transfer:

In the event that the borrower has insufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens) or transferring the interest through an assumption or in the even of foreclosure, DCA will accept the remaining funds available based on the Settlement Statement and write-off the remaining balance, and will apply only the remaining funds received to the Local HOME Account. 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 Buyer Subsidy 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:

DCA will subordinate the Home Buyer Subsidy to a refinanced first mortgage if the borrower is receiving a lower interest rate or other improved loan terms with no cash out and no increase in the first mortgage loan amount (unless the increase in the first mortgage amount reflects refinancing costs and there is a decrease in the monthly payment). If a borrower refinances to an adjustable rate mortgage, the new adjustable rate mortgage must include a provision such that the maximum annual interest rate on the new mortgage during the first six years does not exceed the interest rate on the old mortgage by a margin of 1%. Further, the term of the new adjustable rate mortgage must be equal to the term of the old mortgage.

DCA will review the HUD-1 to verify the cash available to the borrower and the terms of the first mortgage. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of the subordination. DCA will review distress situations that require a borrower to refinance under different circumstances on a case-by-case basis.

GUIDELINES FOR RECAPTURE OF HOME FUNDS USED FOR THE CHIP PROGRAM

For the CHIP program, the policy of the Department of Community Affairs (DCA) for 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. The DCA has selected option number 3, shared net proceeds, as set forth in paragraph 92.254(a)(5)(ii)(A)(3) of the program regulations. The net proceeds will be divided proportionally as set forth in the following mathematical formulas:

A = HOME amount to be recaptured

B = amount to homeowner

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

Homeowner investment _____ X Net proceeds = B
HOME investment + homeowner investment

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

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.

TENANT-BASED RENTAL ASSISTANCE

The State does not propose to provide tenant based rental assistance through any of its HOME funded programs during SFY2005. The State will notify HUD as appropriate if the State opts to provide tenant based rental assistance during the program year. If this occurs, any tenant-based rental assistance program will be implemented in accordance with applicable HUD regulations found at 24 CFR 92.209-92.211.

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. 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 general 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 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 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.

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.

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.

F. 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 HUD will make \$2,033,943 in ADDI funds available to the State to address housing needs. This amount represents program funds of \$954,623 for FFY2003 and \$1,079,320 for FFY2004. The State proposes to operate the following six programs using its FFY2003 and FFY2004 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.
- ◆ Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages 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.
- ◆ CHOICE (Consumer Home Ownership for Independence, Choices and Empowerment) Program provides a loan to qualified borrowers with a disability to cover costs associated with down payment, prepaid items and principal reduction. 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. Assistance is provided as a deferred payment second mortgage loan.
- ◆ Efficient or Visitable Program 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 either 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.
- ◆ PEN Program 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.
- ◆ Home At Last (HAL) provides homeownership opportunities for households, currently receiving Housing Choice Vouchers, in which the head of household, spouse or dependent is disabled. 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.

APPLICATION PROCESSES

DCA will directly administer the Georgia Dream Second Mortgage Program, the CHOICE program, Efficient or Visitable Program, and the PEN Program through a state-wide network of participating lenders. The Rural Development Georgia Dream Second Mortgage program will be administered by DCA through USDA-RD, and the Home At Last program will be administered by DCA through Lead Agencies. Applications will be reviewed following standard underwriting criteria and funded on a first-come, first-served basis based on 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;
- 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.

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, CHOICE PROGRAM, EFFICIENT OR VISITABLE PROGRAM, AND PEN PROGRAM

A first-time homebuyer 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 GEORGIA DREAM SECOND MORTGAGE PROGRAM

First-time home buyers may apply for a Rural Development 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 Georgia Dream Second Mortgage borrowers receive home buyer counseling prior to loan closing from USDA-RD.

HOME AT LAST

DCA will solicit applications to the Home at Last Program by sending an announcement to eligible families identified by DCA's Housing Choice Voucher Rental Assistance program. Lead Agencies will be used to assist households through the HAL program. The Lead Agency will maintain communication with the household during both pre-purchase and post-purchase periods.

During SFY2005, the HAL program will continue to be piloted in the following counties: Baker, Calhoun, Clarke, Colquitt, Decatur, Dougherty, Early, Elbert, Grady, Greene, Gwinnett, Hancock, Jackson, Lee, Madison, Miller, Mitchell, Oconee, Oglethorpe, Seminole, Terrell, Thomas or Worth.

Eligible households seeking homeownership assistance will be asked to complete a statement of interest and return it to DCA. The household will have to complete and return the statement of interest by a specific deadline. DCA will forward the information to a Lead Agency to begin assessment and contact with the household.

Eligible families have up to 30 months from the date of the first Lead Agency appointment to close on the purchase of a home. The Lead Agency will work with the homebuyer for up to two (2) years following the date the homebuyer closed on the loan.

MATCHING REQUIREMENTS FOR THE ADDI PROGRAM

The ADDI program requires that the State make contributions to affordable housing which totals at least 25% of the FFY2003 ADDI funds drawn down. The State will utilize funds appropriated by the State General Assembly and from the proceeds of mortgage revenue bonds issued by GHFA to meet the State's ADDI program match requirements. The State will not be required to make match contributions for FFY2004.

State contributions for FFY2003 will be loaned to applicants in accordance with HOME program guidelines and the repayments of these dollars will be used as HOME funds. Other forms of match will be contributed as available on a project by project basis.

GEOGRAPHIC ALLOCATION OF ADDI FUNDS

In general, the competitive allocation or "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 SFY2005:

- The State will continue implementation of its Rural Development 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 three full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. The three 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 loans used in conjunction with Georgia Dream Second Mortgage loans is 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 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 SECOND MORTGAGE, EV, PEN, HAL, AND CHOICE PROGRAMS

As previously discussed, the State proposes to operate five programs designed to assist a first-time home buyer program using HOME funds: Georgia Dream Second Mortgage, EV, PEN, HAL, and CHOICE, 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 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:

Sufficient Proceeds from Sale or Transfer:

In the event that the borrower receives sufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens), DCA will expect the HOME Loan to be paid in full. The funds recaptured from the repayment of the HOME Loan will be applied to our available Local HOME Account.

Insufficient Proceeds from Sale or Transfer:

In the event that the borrower has insufficient proceeds from the sale or transfer of the mortgaged property after repaying the first lien holder (and any other higher priority liens) or transferring the interest through an assumption or in the event of foreclosure, DCA will accept the remaining funds available based on the Settlement Statement and write-off the remaining balance, and will apply only the remaining funds received to the Local HOME Account. 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 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 ADDI 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 come in contact with the target populations.

- DCA will encourage locally generated home buyer education programs and home buyer fairs targeting these populations and have staff available to participate in the events.
- DCA will market the Georgia Dream 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, that families receiving assistance through the ADDI program, DCA will take the following steps:

- DCA will encouraged all families, applying for ADDI funds, to contact a participating lender prior to signing a sales contract to review the family's credit history and to determine an affordable home price range.
- 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.

G. 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 estimates that HUD will make \$47,131,155 in FFY2004 CDBG funds available to the State to address housing and community development needs.

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 or incentives in the method of distribution.

TYPES OF GRANTS

During the FFY2004 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 Regular 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.
 - 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.
- B) Immediate Threat and Danger (ITAD) applications must address an event or situation that has a particular urgency and uniqueness which adversely affects or impacts 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.
- 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

Regular Annual Competition: Single Activity	\$ 500,000
Regular 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 and the ITAD Program may be increased. See specific program descriptions for details.

RESTRICTIONS ON ELIGIBILITY FOR COMPETITION

- 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. This restriction does not apply to the Immediate Threat and Danger Program, the Employment Incentive Program, any community designated as an Enterprise Community, CDBG Loan Guarantee Program, or the Redevelopment Fund. These communities are eligible to apply annually. Also any community designated by DCA as a "Water First Community" may apply annually as long as the primary purpose of the project is water improvements.
- D) Applications for the Immediate Threat and Danger Program, 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.
- E) Recipients of prior CDBG funding must resolve all outstanding audit, monitoring findings and/or other program exceptions which 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 may be penalized by a reduction in the subsequent year's total score for the regular competition.

- F) 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.
- G) 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. The Department of Community Affairs 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.**

REGULAR ANNUAL COMPETITION

Rating and Ranking System for the Regular Annual Competition

Single and Multi-Activity applications will be rated separately to assign points for feasibility 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 450 points.

	Maximum Points
Demographic Need – absolute number in poverty	40
Demographic Need – percent of poverty persons	40
Demographic Need – per capita income	40
Program Feasibility	150
Program Strategy	150
Leverage of Additional Resources	30
Maximum Total Points	450

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.

1. Program Feasibility:

Applicants will be compared in terms of project feasibility. The following factors are considered: an analysis of such items as reasonableness of cost, compliance with applicable state and federal laws, project timetables, and confirmation of required resources.

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)	30
Level Three (Fair)	60
Level Four (Good)	90
Level Five (Very Good)	120
Level Six (Excellent)	150

2. Program Strategy:

Applicants will be compared in terms of program strategy. The following factors are considered: an analysis of the severity of documented need, alternative solutions to the identified problems, the number of persons benefiting, the impact of the project on identified problems, conformance with the approved comprehensive plan submitted to DCA under the State Planning Act, and the extent of benefit to persons of low and moderate income. In addition, multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization and/or revitalization.

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)	30
Level Three (Fair)	60
Level Four (Good)	90
Level Five (Very Good)	120
Level Six (Excellent)	150

3. 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.

The leverage score will be calculated as follows: first, the 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. Second, applications will be assigned to one of five groups: a) Multi-Activity; b) Housing; c) Economic Development; d) Water and/or Sewer; or e) all other Public Facilities.

The applications will then be ranked within these groups, based on per capita leverage amounts, and points assigned based on the ranking. Applications with no leverage will receive no points. Up to 30 points can be assigned for leverage of additional resources.

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.

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 are 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 as a result 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 FFY2004 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 receipt of an application, the 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 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 and rated may be returned to the locality for further information.

The staff may conduct site visits and hold discussions with applicants and proposed subrecipients 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 subrecipients' 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 the Department of Community Affairs for the Community Development Block Grant 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:

<u>FACTOR</u>	<u>MAXIMUM POINTS</u>
1. Demographic Need	120
2. Project Feasibility	210
3. Project Strategy and Innovation	240
4. <u>Leverage of Additional Resources</u>	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 identify 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 2004 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.

PROPOSED ALLOCATION OF CDBG FUNDS: 2004 PROGRAM YEAR

The table below presents the proposed allocation of FFY2004 CDBG funds. The table is based on the latest available information from HUD. In the event funds received are different, or if additional funds are received after the initial allocation, the State will first adjust the amount set aside for state administration (2% of allocation plus \$100,000) and the remainder of the difference will be deducted from or added to the amount available for the Regular Competition. The set-aside amounts for the Immediate Threat and Danger Grant Program, the Redevelopment Fund, the Employment Incentive Program, and for Technical Assistance will remain the same.

**FEDERAL FISCAL YEAR 2004
ANTICIPATED FUNDING and ALLOCATION OF CDBG FUNDS**

Award From HUD:		<u>\$47,131,155</u>
Less Set-Aside For:	State Administration	\$1,042,623
	Immediate Threat & Danger Program	\$500,000
	The Redevelopment Fund	\$1,500,000
	Employment Incentive Program	\$7,000,000
	Technical Assistance	<u>\$471,312</u>
Remainder:	Available for Regular Competition	<u>\$36,367,220</u>

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: \$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.

For certain 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 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.

For certain 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 are 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 be in compliance 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.

H. GEORGIA'S PROPOSED DISTRIBUTION METHOD AND GEOGRAPHIC ALLOCATION OF ESGP FUNDS



PROPOSED DISTRIBUTION METHOD

PROGRAM STRUCTURE

The State estimates that HUD will make \$2,004,224 in FFY2004 Emergency Shelter Grant (ESGP) program funds available to the State. The Housing Trust Fund for the Homeless will provide the State's 50% non-federal funding match required by the ESGP program regulations. The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's ESGP allocation. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this ESGP allocation.

The purpose of the ESGP 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 (ESGP) funds available to nonprofit organizations 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.

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. Nonprofit organizations must demonstrate participation in local homeless provider groups and in continuum of care planning appropriate to the jurisdiction where their activities are located to the satisfaction of those jurisdiction(s).

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 by the U.S. Department of Housing and Urban Development (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 persons either on site or in cooperation with other shelter providers;
- 2) Typically, but not always, serves hard-to-reach homeless persons who have severe mental illness, are on the streets, and have been unable or unwilling to participate in supportive services;
- 3) 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.
- 4) Provides 24-hour services either on site or in conjunction with other homeless service providers; and

- 5) Without regard to the above limitations, provides 24-hour services for all who are in danger due to minor illness that do not require professional care, those in danger due to weather conditions, 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," 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 typically 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.

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. Salaries and associated costs for operations are only eligible for those persons who only provide shelter operation services for the organization. Persons who perform general administrative duties (executive director, fundraising staff, bookkeepers, etc.) may not be compensated with ESGP funds.

Eligible "Emergency Shelter Services" include, but are not limited to, activities such as transitional or 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 "Operations and Services" grant amount. Salaries and associated costs for services are only eligible for those persons who only provide direct client services for the organization. Persons who perform any general administrative duties (executive director, fundraising staff, bookkeepers, etc.) 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 the U. S. Department of Housing and Urban Development.

Eligible "Operations" activities include repairs (generally less than \$5,000), maintenance, operations, rent, security, fuel, equipment, insurance, utilities, food and furnishings. Staff time 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. Salaries and associated costs for operations are only eligible for those persons who only provide transitional housing operation services for the organization. Persons who perform general administrative duties (executive director, fundraising staff, bookkeepers, etc.) may not be compensated with ESGP funds.

Eligible “Services” 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 “Operations and Services” 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 (executive director, fundraising staff, bookkeepers, etc.) may not be compensated for service-related functions.

Essential Services (named above) 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 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). Staff time not devoted to client service is not eligible. Persons who perform general administrative duties (executive director, fundraising staff, bookkeepers, etc.) may not be compensated for service-related functions.

Homeless Prevention activities or programs designed to prevent the incidence of homelessness among *eligible persons* (*see below*), including but not limited to: (1) Short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (2) Security deposits or first month's rent to permit a homeless family to move into its own apartment; (3) mediation programs for landlord-tenant disputes; (4) legal services programs for the representation of indigent tenants in eviction proceedings; (5) payments to prevent foreclosure on a home; and (6) other innovative programs and activities designed to prevent the incidence of homelessness.

The HUD regulations for the Emergency Shelter Grant Program defines *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 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 set aside in a letter of conditions for a specific project 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 operations and/or outreach services where adequate shelter and associated 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.” As a lower priority, funds may also be used for activities such as (3) organizational or staff development and (4) technical assistance activities to include professional planning and engineering, etc.

General administration is **not** an eligible activity. It is the intent of this program to make all activities eligible under Federal ESGPP regulations (24CFR576.21) 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 - \$10,000 per activity; and Development - \$125,000 per organization.

Net Federal FFY2004 funds available under the HUD ESG Program are \$1,904,013. State HTF Commission funds available are estimated to be \$2,000,000; a total of \$3,904,013 (approximately \$300,000 less than the amount available in 2003).

THE APPLICATION PROCESS

Applications will be solicited by means of a notice of availability of State ESGP Application Guidelines for the 2004 – 2005 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.

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

- Consistency with local need, conformance to local plans, and service delivery strategy;
- Extent to which proposal meets priorities outlined in the Continuum of Care Plan appropriate to the project;
- Other funding for programs available to the applicant from Federal, State and local government sources (SHP, CJCC, DHR, CDBG, etc.);
- Prior award amounts and 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;
- Amount of funds requested;
- Participation in the State’s collaborative HMIS initiative (generally a prerequisite for stand alone “essential services” funding);
- Level of service (numbers of persons, hours of service, etc.);

- Standard costs for housing and services;
- Value of applicant's contributions (cash and in-kind).
- 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,
- 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 funding decisions and funding amounts will be based upon the funding award factors listed above, as well as the following factors:

- Current year priorities include new emergency shelter operations (beds) and/or outreach services;
- The presence of a qualified project manager and management team;
- Project planning strategy and feasibility (short and long-term);
- Degree of local government and/or local coalition support based on local need;
- Project readiness;
- Other funding assistance available to the applicant;
- Amount of funds requested; and,
- Degree of compliance demonstrated during DCA monitoring visits or in desk audits.

Funding decisions for 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 volunteer community-based board of directors, professional management, the consistency of the organization's identity or its mission to the provision of homeless services, the extent to which the organization utilizes networks to avoid duplication of housing and services, participation in the appropriate continuum of care, financial stability, board organizational policy (operating and financial), and qualification, diversification and involvement.

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 (excluding those with Operations requests or funding amounts of \$5,000 or less) are expected to provide 60% of the cost of each operations or service activity utilizing other cash or in kind services or donations. 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 2004-2005 funds available through the annual allocation process will be due on Tuesday, April 1, 2004. Except for 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, 2004 or after January 1, 2005. Funding announcements are expected by June 30, 2004 for applications that are complete when submitted on or before the April 1, 2004 deadline.

The Commissioner of the Department of Community Affairs 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 is in compliance 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, 2004 and ending on June 30, 2005. 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 and 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 ESGP 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.

GEOGRAPHIC ALLOCATION

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

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



PROPOSED DISTRIBUTION METHOD

PROGRAM STRUCTURE

The State estimates that HUD will make available to the State \$1,515,000 in FFY2004 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.

The purpose of the HOPWA program is to provide housing and supportive services to low-income persons with HIV-related needs. Local government entities are eligible to apply. To the extent under State law, as determined by HTF and DCA, private, nonprofit organizations are also eligible to apply for funds.

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. Sponsor administrative costs are limited to 7% of the grant amount.

For operations and service activities (other than development) funding is generally less than \$250,000 per organization per year. For development activities that include acquisition, new construction and/or rehabilitation, assistance is generally limited to \$200,000 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.

THE APPLICATION PROCESS

Applications will be solicited by means of a notice of availability of State HOPWA Application Guidelines for the 2004 – 2005 Program Year. This notice will be mailed to all known AIDS service and housing providers, local governments, and other interested parties.

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 is in compliance 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 and (if applicable), and service delivery strategy.

Applications for 2004 - 2005 funds will be due on April 1, 2004. 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: Relative need for activity; The availability of other HOPWA providers within the service area; Relative quality of housing or services to be provided; Amount of funds requested; Value of applicant's contributions (cash and in-kind); Numbers of persons to benefit from activity; Standard costs for housing and services; and, Other federal or state assistance available to applicant. Development (acquisition, new construction and rehabilitation) funding decisions and funding amounts will be based upon the following factors: Relative need for activity; Amount of funds requested; Value of applicant's contributions (cash and in-kind); Other Federal or State assistance available to applicant; Numbers of persons to benefit from activity; and Project strategy and feasibility.

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 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 volunteer community-based board of directors, professional management, the consistency of the organization's identity or its mission to the provision of serving low-income persons with HIV-related needs, participation in a continuum of care (if applicable), financial stability, and board diversification and involvement. 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, 2004 and ending on June 30, 2005. Agreements for development activities will require long-term commitments for continued service to HOPWA-eligible persons in accordance with HUD regulations.

Provided that 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 and State financial 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.

Net FFY2004 funds available under the HOPWA program are estimated to be \$1,514,000. Additional allocations may be made from funds recaptured from prior year obligations. Funds available may be allocated prior to July 1, 2004, subject to this program description.

GEOGRAPHIC ALLOCATION

HOPWA funds are available exclusively to the State's 127-county HUD-defined entitled area. This area excludes the counties of Barrow, Bartow, Burke, Butts, Carroll, Cherokee, Clayton, Cobb, Columbia, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett,

Haralson, Heard, Henry, Jasper, Lamar, McDuffie, Meriwether, Newton, Paulding, Pike, Richmond, Rockdale, Spalding, Troup and Walton.

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

This section outlines the activities that the State will undertake during SFY2005 to address Georgia's priority housing and community development needs and their related objectives. The list of actions includes programs that receive either consolidated formula program funds, other HUD assistance, other federal incentives, State moneys, or bond revenue. Consolidated formula program funds include: the HOME Investment Partnership (HOME), American Dream Downpayment Initiative (ADDI), Community Development Block Grants (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grants (ESGP) programs. The figures provided to quantify the State's objectives include projections based only on the use of HOME, ADDI, CDBG, ESGP, HOPWA, Housing Choice Voucher, and State match funds for the ESGP program.

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: Rehabilitate or construct affordable, rental housing units for 209 extremely low, 379 low, and 257 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.

Investment: FFY2004 HOME funds; SFY2005 State Match funds to the HOME Program.

Activity #1(B): Implement Georgia's HOME Rural Rental Housing Development Fund to provide loans to qualified public housing authorities or their subsidiary nonprofit agencies for the construction of rental housing developments with up to ten units in rural areas.

Investment: FFY2004 HOME funds.

Activity #1(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 non-elderly special need tenants.

Investment: FFY2004 HOME funds; SFY2005 State Housing Trust Fund for the Homeless funds.

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.

Investments: FFY2004 Low Income Housing Tax Credit allocation; SFY2005 Georgia Housing Tax Credit.

Activity #1(E): Implement Georgia's HOME 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 or Permanent Supportive Housing Loan programs.

Investments: FFY2004 HOME funds

Activity #1(F): Implement Georgia's Regular Annual CDBG Competition which assists local units of government to implement rental housing rehabilitation programs to benefit households of low and moderate income.

Investment: FFY2004 CDBG funds.

Activity #1(G): Implement Georgia's Community HOME Investment Program (CHIP) which assists local units of government to implement approved, HOME eligible housing programs within their community.

Investment: FFY2004 HOME funds.

Objective #2: Provide 4,879 extremely low, 3,266 low income, and 693 moderate income households with rental assistance.

Activity #2(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.

Investment: Housing Choice Certificates and Vouchers.

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 #3: 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.

Activity #3(A): Implement Georgia's 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.

Investment: FFY2004 HOME funds; SFY2005 State Match funds to the HOME Program, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #3(B): Implement Georgia's Rural Development 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.

Investment: FFY2004 HOME funds, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #3(C): Implement Georgia's CHOICE program that provides to qualified borrowers with a disability deferred payment second mortgage loans for down payment and principal reduction.

Investment: FFY2004 HOME funds, SFY2005 State Match funds to the HOME program, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #3(D): Implement Georgia's Efficient or Visitable program to offer deferred payment second mortgages to cover closing costs, principal reduction and prepaid loan related expenses to encourage the construction of homes that are energy efficient or visitable by individuals with mobility impairments.

Investment: FFY2004 HOME funds, SFY2005 State Match funds to the HOME program, FFY2003 ADDI funds, and FFY2004 ADDI funds.

- Activity #3(E): Implement Georgia's PEN program to offer deferred payment second mortgages to cover down payment, closing costs, and other loan related expenses to assist protectors, educators and health care workers to purchase homes.
Investment: FFY2004 HOME funds, SFY2005 State Match funds to the HOME program, FFY2003 ADDI funds, and FFY2004 ADDI funds.
- Activity #3(F): Implement Georgia's Home At Last Program that enables eligible Housing Choice Voucher Program tenants to utilize their Housing Assistance Payment towards the mortgage of a home.
Investment: Housing Choice Voucher Program Certificates and Vouchers.
- Activity #3(G): Implement Georgia's Habitat Mortgage Purchase Program which provides funds to purchase Habitat For Humanity mortgage loans.
Investment: SFY2005 State Match funds to the HOME Program.
- Activity #3(H): Implement Georgia's Single Family Development Program which will provide funds to spur the construction of newly constructed or rehabilitated housing for sale to low and moderate income home buyers.
Investment: FFY2004 HOME funds.
- Activity #3(I): Implement Georgia's Community HOME Investment Program (CHIP) which assists local units of government to implement approved, HOME eligible housing programs within their community.
Investment: FFY2004 HOME funds.
- Activity #3(J): Implement Georgia's Regular Annual CDBG Competition which assists 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.
Investment: FFY2004 CDBG funds.

Activity #3(K): Implement Georgia's Georgia Dream First Mortgage Program which offers fixed rate mortgage loans to qualified low to moderate income home buyers at below market interest rates.

Investment: Proceeds from mortgage revenue bond issues.

Activity #3(L): Implement Georgia's Rural Development Leveraged Loan Program that combines a first mortgage using Bond Program funds with a second mortgage that is a Rural Development Direct 502 interest subsidized loan (can be as low as 1%). The overall interest rate to the borrower, therefore, is below even the Bond Program. The first mortgage is between 20% and 80% of the amount needed and the second mortgage is the remainder of the financing. The exact split between the two is determined by Rural Development staff to ensure that the property is affordable to low income families.

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

Activity #3(M): Provide Housing Information to Georgians interested in purchasing their first home. 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.

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

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 #4: Provide housing and supportive services necessary for Georgia's homeless to break the cycle of homelessness to a daily average of 12,000 individuals.

Activity #4(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.

Investment: 50% of funds through FFY2004 ESGP allocation, 50% of funds through SFY2005 State Housing Trust Fund for the Homeless allocation.

Activity #4(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.

Investment: FFY2004 HOPWA funds.

Activity #4(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 non-elderly special need tenants.

Investment: FFY2004 HOME funds; SFY2005 State Housing Trust Fund for the Homeless funds.

Activity #4(D): 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.

Investment: FFY2004 HOME funds; SFY2005 State Match Funds to the HOME Program.

Activity #4(E): Implement Georgia's Regular Annual CDBG Competition that assists local units of government to implement programs that benefit Georgia's homeless.

Investment: FFY2004 CDBG funds.

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 #5: Make funding awards to organizations or households that assist 550 Special Need households with the housing and supportive services necessary to achieve decent, safe and sanitary living conditions.

Activity #5(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.

Investment: FFY2004 HOPWA funds.

- Activity #5(B): 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.
Investment: FFY2004 HOME funds; SFY2005 State Match funds to the HOME Program.
- Activity #5(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 non-elderly special need tenants.
Investment: FFY2004 HOME funds; SFY2005 State Housing Trust Fund for the Homeless funds.
- Activity #5(D): Implement Georgia's Regular Annual CDBG Competition which assists local units of government to implement housing programs to benefit special need households of low and moderate income.
Investment: FFY2004 CDBG funds.
- Activity #5(E): Implement Georgia's Georgia Dream First Mortgage program which offers fixed rate mortgage loans to qualified low to moderate income home buyers at below market interest rates.
Investment: Proceeds from single family bond issues.
- Activity #5(F): Implement Georgia's 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.
Investment: FFY2004 HOME funds; SFY2005 State Match funds to the HOME Program, FFY2003 ADDI funds, and FFY2004 ADDI funds.
- Activity #5(G): 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.
Investment: Housing Choice Voucher Program Certificates and Vouchers

Activity #5(H): Implement Georgia's Community HOME Investment Program (CHIP) which assists local units of government to implement approved, HOME eligible housing programs within their community.

Investment: FFY2004 HOME funds.

Activity #5(I): Implement Georgia's Rural Development 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.

Investment: FFY2004 HOME funds, SFY2005 State Match funds to the HOME program, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #5(K): Implement Georgia's CHOICE program that provides to qualified borrowers with a disability deferred payment second mortgage loans for down payment and principal reduction.

Investment: FFY2004 HOME funds, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #5(L): Implement Georgia's Efficient or Visitable program that offer deferred payment second mortgages to cover closing costs, principal reduction and prepaid loan related expenses to encourage the construction of homes that are energy efficient or visitable by individuals with mobility impairments.

Investment: FFY2004 HOME funds, SFY2005 State Match funds to the HOME program, FFY2003 ADDI funds, and FFY2004 ADDI funds.

Activity #5(M): Implement Georgia's Home At Last Pilot Program that enables eligible Housing Choice Voucher Program tenants to utilize their Housing Assistance Payment towards the mortgage of a home.

Investment: Housing Choice Voucher Program Certificate and Vouchers.

Activity#5(N): Implement Georgia's Single Family Development Program which will provide funds to spur the construction of newly constructed or rehabilitated housing for sale to low and moderate income home buyers.

Investment: FFY2004 HOME funds.

***K. GEORGIA'S ACTIVITIES TO ADDRESS THE NEEDS OF THE HOMELESS
AND OTHER SPECIAL NEED GROUPS*** 

As previously noted, the State will undertake programmatic activities to address the needs of the homeless and other special need groups. 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 SFY2005 specifically targeted to benefit the homeless and other special need groups:

- Implement Georgia's Emergency Shelter Grant Program (ESGP) 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 offer assistance to providers of housing and supportive services for people living with AIDS within the State's 127-county entitlement area.
- Develop a 'Continuum of Care' Plan for the balance of the state (includes 152 of Georgia's 159 counties that do not prepare their own Continuum of Care plan).
- Partner with Shelter + Care providers 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.
- 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.

- In addition, the State has instituted scoring criteria 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. Applications that will benefit this group will receive additional points during the project evaluation stage, enhancing their likelihood of funding from this competitive process. For instance, projects receive points if the applicant agrees to hold and rent at least 50% of the total project dwelling units to Special Need households. Additional points are also awarded to applicants who agree to accept a Housing Choice project based voucher contract for the designation of up to ten (10) units or 5% percent of the total units, whichever is less, for occupancy by tenants with special needs.
- During SFY2005, 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 SFY2005, the State will also implement its new CHOICE program which makes loans to qualified disabled borrowers to cover downpayment 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 Rental Access Network (RAN) which provides Georgians with disabilities the ability to access, via the internet, information about vacant units at DCA-financed affordable rental properties.
- During SFY2005, 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 non-elderly special need tenants. This program will offer construction and permanent financing for the construction or rehabilitation of housing for this targeted population. To apply for this financing, applicants may be either a nonprofit or for-profit housing developer. Financing for this program will be made available from the State Housing Trust Fund for the Homeless and the State's allocation of federal HOME funds. A portion of these federal HOME funds will be available through the State's CHDO set-aside for those nonprofits that also have been certified by the State as a CHDO.
- DCA will also continue its pilot implementation of the Home At Last Program which 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 the purpose of qualifying for a mortgage loan.

GEORGIA DEPARTMENT OF HUMAN RESOURCES

In addition to the housing programs administered by DCA, the State's Department of Human Resources (DHR) anticipates administering the following service programs available to the homeless:

- Medicaid: provides payments for medical assistance to qualified indigent people over age 65, members of families with dependent children, pregnant women, and physically or mentally disabled individuals.
- Community Services Block Grant (CSBG): provides assistance and services specific to low income households through twenty community action agencies and local governments.
- Food Stamps: provide nutritional assistance to all applicants who qualify based on income and other criteria.
- 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.
- 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.

L. 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. However, the State can take action to address issues pertinent to its regulatory control. These responses include:

- Implementing federal fair housing requirements.
- 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.
- 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.
- Implementing the Continuum of Care plan that serves the needs of rural Georgia, including the homeless population.
- Using the Work Force Housing Initiative to coordinate linkages between DCA, local private lenders, 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 and will provide access to HOME funds for gap financing.
- 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.
- Examining other State measures that may remove obstacles to the provision of affordable housing opportunities for low and moderate income Georgians.

ACTIONS TO FOSTER AND MAINTAIN AFFORDABLE HOUSING

All of the programs administered using Georgia's FFY2004 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.

ACTIONS TO REMOVE BARRIERS TO AFFORDABLE HOUSING

In addition to the implementation of its affordable housing programs during SFY2005, DCA will take several steps to eliminate the barriers to affordable housing for several identified groups:

- The Office of Homeownership will use a brochure written in Spanish that will describe the programs available to potential low-income home buyers.
- DCA will continue its collaboration with the Governor's Council on Developmental Disabilities, advocacy groups for the physically disabled and other nonprofit organizations to eliminate the barriers to purchasing a home by qualified Georgians with a disability and to improve access to affordable rental housing across the State.
- The DCA 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. Last, DCA's homebuyer education workbook "A Home of Your Own" has been translated into Spanish for use by Georgia's Hispanic population.
- DCA will work with the Habitat Southeast regional office to coordinate the participation of all Georgia Habitat affiliates in the Habitat Mortgage Purchase Program. Purchasing mortgages from Habitat increases the pool of funds available to construct homes and decreases the time that Habitat's funds are tied up. The focus of this program will be to increase Habitat's ability to build additional homes.
- DCA will continue to make available the Rental Access Network on its website for property managers to input information on vacant units at DCA-financed affordable rental properties. DCA will continue to market this database to nonprofits serving individuals with disabilities to better link information about affordable, available rental units to their clients.
- 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 included in those plans. Plans are to be updated every five years and new plans must be adopted every 10 years. In preparation for the second round of state mandated comprehensive planning, DCA convened a task force in 2002 to review the original regulations and adopted "Revised Minimum Standards and Procedures for Local Comprehensive Planning." The revised minimum standards include a greatly enhanced housing element for cities and counties planning at the intermediate or advanced level. The regulations require that the comprehensive plans inventory existing conditions, assess current and future needs, articulate community goals, and describe an implementation program.
- DCA established an online system called PlanBuilder in order to assist local governments in the planning process and to provide the public with better access to the completed

plans and data sets. This system allows local governments to complete their plans on-line, linking them to the required data and map views. PlanBuilder also provide the planners with advice, examples of plans and innovations, links to additional data, and other types of assistance.

- 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 carry out activities identified in its revised Analysis of Impediments to Fair Housing Choice submitted to HUD on September 22, 2003, 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/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. GHA will continue its operation in SFY2005.
- DCA has also entered into an agreement with the Statewide Independent Living Council to develop a PowerPoint presentation explaining options to create aesthetically pleasing, cost effective no step entries to single family homes. The product will be used to educate builders and developers.

ACTIONS TO EVALUATE AND REDUCE LEAD-BASED PAINT HAZARDS

This section outlines the actions the State plans during SFY2005 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 final 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 certify workers, contractors and risk assessors.

This action by DNR has enabled DCA to implement the federally funded (through a separate HUD grant of over \$5 million) Lead Safe Homes Demonstration Program. DCA will continue this program working with existing grantees to speed-up production. DCA will also continue to train all CDBG and CHIP housing recipients in the new lead hazard reduction regulations. DCA will also continue to train small housing rehabilitation contractors to become certified under the DNR regulation. This action will increase the capacity of CDBG and HOME CHIP recipients in meeting the new HUD lead regulation.

DCA will also require recipients of federal HOME funds in its Permanent Supportive Housing and HOME Rental Housing Loan programs that will engage in rehabilitation activities to follow all federal USP standards.

ACTIONS TO REDUCE THE NUMBER OF POVERTY LEVEL FAMILIES

Part V of the Consolidated Plan describes the nature and extent of poverty in Georgia. While a solution to assisting the significant number of Georgians living in poverty is beyond the scope of the four 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 grants the State will make to local governments and nonprofit service providers will help persons and families in poverty.

DCA has set-aside \$5,500,000 in FFY2004 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.

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.

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 HOME 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 and Permanent Supportive Housing Loan programs.

Also the State will provide training and technical assistance to Public Housing Authorities selected to develop affordable rental housing under the Rural Rental Housing Development Fund. Since housing authorities are not usually versed in the development of rental units, DCA will provide training and technical assistance on all phases of structuring a deal, from selecting a site, preparing an application to construction management, and completion of the project.

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 \$35,000 annually for up to three years.

Also, 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 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:

- Over the course of SFY2005, 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 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 which 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 local government officials to heighten awareness of housing issues in their communities. This class is offered in cooperation with the Georgia Municipal Association and the Association County Commissioners of Georgia.
- DCA will continue to provide education to local economic development officials through the Georgia Academy for Economic Development that will highlight the role of work force housing in local economies and its importance to the communities economic development efforts.
- The State established 12 state development regions that created (1) common regional boundaries for community and economic development; (2) a decentralization of state government (planning, community and economic development) to areas outside of Atlanta; (3) an enhancement of state rural development efforts; and (4) increased interagency and state/local cooperation. Together, DCA and the Department of Industry, Trade and Tourism (DITT) established offices and co-located staff in each of the 11 non-Atlanta regions in 1998. DCA has placed a regional manager and resource coordinator in each regional office to concentrate on assisting communities in the areas of housing and community development. DCA staff will also help facilitate multi-jurisdictional efforts and provide technical assistance to local governments with plan implementation activities. DITT has also placed 2-3 staff members in each region to provide support to

established industry, help enhance tourism potential, and coordinate local marketing efforts. During SFY2005, the regional offices and staff will be involved with conducting multi-day training programs of the Georgia Academy for Economic Development, various affordable housing initiatives, the Business Retention and Expansion process survey, and coordinating leadership training programs and quality growth initiatives.

- 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 WorkForce Housing Initiative.
- GHFA will also continue its Membership in Georgia HAP Administrators (GHA), Inc., a nonprofit organization awarded a contract with HUD to provide Housing Choice Voucher Program HAP contract administration services to HUD for project-based Housing Choice Voucher Program assisted 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/DeKalb Housing Authority, Hinesville Housing Authority, Macon Housing Authority, and the Marietta Housing Authority.
- DCA will also continue to work with staff of the Governor's Council on Developmental Disabilities, the Georgia Department of Community Health and the Georgia Department of Human Resources to coordinate activities and resources to provide housing and supportive services to Georgia's special needs populations.
- DCA will continue to collaborate with the Georgia Department of Human Resources through Georgia Mental Health Planning Council with the goal of ending chronic homelessness and in procuring mainstream resources for homeless services.
- 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 also continue to facilitate a proactive dialog about preventing and eliminating homelessness through the Trust Fund's regularly convened 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. This past year the State was awarded funds from HUD for a comprehensive Homeless Management Information Systems (HMIS) initiative.

- DCA will work with the Habitat Southeast regional office to coordinate the participation of all Georgia Habitat affiliates in the Habitat Mortgage Purchase Program. The Southeast regional office will select the affiliates eligible to participate in the program.
- DCA established an online system called PlanBuilder in order to assist local governments in the planning process and to provide the public with better access to the completed plans and data sets. This system will allow local governments to complete their plans online, linking them to the required data and map views. PlanBuilder will also provide the planners with advice, examples of plans and innovations, links to additional data, and other types of assistance.

It is our expectation that the expanded requirements for the housing element of the comprehensive plans, coupled with the housing information and data available on PlanBuilder, will create a greater awareness and higher level of sophistication among local planners, administrators and elected officials about the housing needs in their communities. It is our hope that 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.

- Continue quarterly meetings with the staffs of local participating jurisdictions to (1) enhance the number of CHDOs in Georgia capable of undertaking housing development activities and to coordinate CHDO qualification process; (2) build the capacity of CHDOs through training activities; and, (3) coordinate housing programs to enhance a CHDOs access to state and local HOME resources.

M. MONITORING

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 conduct 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 and every 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 identify 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 compliance monitoring of all projects funded through this HUD program.

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 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.

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.

EMERGENCY SHELTER GRANT (ESGP)

The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's allocation of ESGP funds. GHFA contracts with the Georgia Department of Community Affairs (DCA) to administer its ESGP 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 ESGP programs designed to benefit homeless persons. Monitoring recipients is an important function of the State. Each year, randomly selected participating providers are monitored. Annual site visits of each project are not mandatory. 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.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

The Georgia Housing and Finance Authority (GHFA) is the recipient of the State's allocation of HOPWA 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. Beginning with contract year 2001-2002, Grantees receiving Housing Opportunities for Persons With AIDS (HOPWA) funding, will receive an on-site monitoring visit each contract year.

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. In fact, much of DCA's on-site monitoring is triggered by non-compliance in the reimbursement, desk audit, and/or reporting processes.

HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The Georgia Department of Community Affairs will continue to administer the Housing Choice Voucher Rental Assistance program in Georgia's 149 counties. This program provides rental subsidies to participating landlords on behalf of 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.

Appendix A

GENERAL CERTIFICATIONS

AFFIRMATIVELY FURTHER FAIR HOUSING

The State hereby certifies that it will affirmatively further fair housing in Georgia. The State will assume the responsibility of fair housing planning by:

- 1) Conducting an analysis to identify impediments to fair housing choice within the State;
- 2) Taking appropriate actions to overcome the effects of any impediments identified through that analysis;
- 3) Maintaining records reflecting the analysis and related actions; and,
- 4) Assuring that units of local government funded by the State comply with their certifications to affirmatively further fair housing.

ANTI-DISPLACEMENT AND RELOCATION PLAN

The State hereby certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan that, in the case of any such displacement in connection with any activity assisted with funds provided under the HOME or CDBG programs, requires the same actions and provides the same rights as required and provided under Section 104(d) of the Housing and Community Development Act of 1974 in the event of displacement in connection with any activity assisted with funding under the CDBG or HOME programs.

DRUG-FREE WORKPLACE

The State hereby authorizes that it will continue to provide for a drug-free workplace by:

- 1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the State's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- 2) Establishing an on-going drug-free awareness program to inform employees about:
 - (a) The danger of drug abuse in the workplace;
 - (b) The State's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation and employee assistance programs; and,
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- 3) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
- 4) Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and,
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such convictions;
- 5) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 6) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.
- 8) The State has provided below the site(s) for the performance of the work done in connection with the specific grants:

Georgia Department of Community Affairs, 60 Executive Park South, Atlanta, Georgia 30329-2231 (DeKalb County).

Check ___ if there are workplaces on file that are not identified here.

ANTI-LOBBYING

To the best of the State's knowledge and belief:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension,

continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- 3) It will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and,
- 4) The State is in compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

AUTHORITY OF STATE

The State hereby certifies that it possesses the legal authority under State law to make grant submissions and to execute community development and housing programs and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with HUD applicable regulations.

CONSISTENCY WITH PLAN

The State hereby certifies that the housing activities to be undertaken with CDBG, HOME, ADDI, ESG, and HOPWA funds are consistent with the strategic plan.

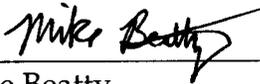
ACQUISITION AND RELOCATION

The State hereby certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR part 24.

COMPLIANCE WITH SECTION 3 OF HUD ACT OF 1968

The State hereby certifies that it will comply with Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C.) 1701u and implementing regulations at 24 CFR part 135 titled Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects.

SIGNATURE OF AUTHORIZED OFFICIAL



Mike Beatty

Commissioner, Georgia Department of Community Affairs/Executive Director, Georgia Housing and Finance Authority

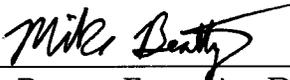
EMERGENCY SHELTER GRANTS (ESG) PROGRAM CERTIFICATION

The State hereby certifies that it will ensure compliance by units of general local government and nonprofit organizations to which it distributes funds under the Emergency Shelter Grants program with:

- 1) In the case of assistance involving major rehabilitation or conversion, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a ten (10) year period;
- 2) In the case of assistance involving rehabilitation less than that covered under paragraph (1), the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a three (3) year period;
- 3) In the case of assistance involving essential services (including but not limited to employment, health, drug abuse, or education) or maintenance, operation, insurance, utilities and furnishings, the recipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served;
- 4) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;
- 5) The recipient will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living and other Federal, State, local, and private assistance available for such individuals;
- 6) The recipient will obtain the matching amounts required under 24 CFR Section 576.71;
- 7) The recipient will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter;

- 8) To the maximum extent practicable, the recipient will involve through employment, volunteer services or otherwise, homeless individuals and families in constructing, renovating, maintaining and operating facilities assisted under the program, and in providing services for occupants of facilities assisted under the program; and
- 9) The recipient is following a current HUD-approved consolidated plan.

SIGNATURE OF AUTHORIZED OFFICIAL



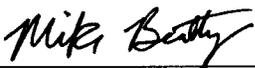
Mike Beatty, Executive Director
Georgia Housing and Finance Authority

HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM CERTIFICATION

The State hereby certifies that

- 1) Tenant-based rental assistance is an essential element of the State's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary and affordable housing;
- 2) It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR Section 92.205 through Section 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in 24 CFR Section 92.214; and,
- 3) Before committing funds to a project, the State or its recipients will evaluate the project in accordance with guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.

SIGNATURE OF AUTHORIZED OFFICIAL



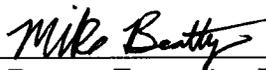
Mike Beatty, Executive Director
Georgia Housing and Finance Authority

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA) CERTIFICATION

The State hereby certifies that:

- 1) Activities funded under this program will meet urgent needs that are not being met by available public and private sources;
- 2) Any building or structure purchased, leased, rehabilitated, renovated, or converted with assistance under the HOPWA program shall be maintained as a facility to assist eligible persons for a period of not less than ten (10) years; and,
- 3) Any case involving non-substantial rehabilitation or repair of a building or structure with assistance under the HOPWA program shall be maintained as a facility to assist eligible persons for a period of not less than three (3) years.

SIGNATURE OF AUTHORIZED OFFICIAL



Mike Beatty, Executive Director
Georgia Housing and Finance Authority

CERTIFICATIONS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

The State certifies that:

CITIZEN PARTICIPATION - It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR Section 91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR Section 570.486.

CONSULTATION WITH LOCAL GOVERNMENTS - It has or will comply with the following:

- 1) It has consulted with affected units of local government in the non-entitlement area of the State in determining the method of distribution of funding;
- 2) It engages in or will engage in planning for community development activities;
- 3) It provides or will provide technical assistance to units of local government in connection with community development programs; and,
- 4) It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

LOCAL NEEDS IDENTIFICATION - It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low income and moderate income families, and the activities to be undertaken to meet those needs.

COMMUNITY DEVELOPMENT PLAN - Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title 1 of the Housing and Community Development Act of 1974, as amended (See 24 CFR 570.2 and 24 CFR part 570).

USE OF FUNDS - It has complied with the following criteria:

- 1) Maximum Feasible Priority - With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are 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;

- 2) Overall Benefit - The aggregate use of CDBG funds including Section 108 guaranteed loans shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
- 3) Special Assessments - The State will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate income (not low income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

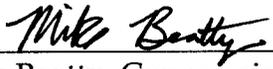
EXCESSIVE FORCE - It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

- 1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and,
- 2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdictions.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS - The grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

COMPLIANCE WITH LAWS - It will comply with applicable laws.

SIGNATURE OF AUTHORIZED OFFICIAL



Mike Beatty, Commissioner
Georgia Department of Community Affairs

Appendix B

***SUMMARY OF COMMENTS RECEIVED AT PUBLIC HEARING HELD TO GAIN INPUT ON THE
HOUSING AND COMMUNITY DEVELOPMENT NEEDS OF GEORGIA
(NOVEMBER 13-DECEMBER 3, 2003)***

Citizen participation is an integral part of the consolidated planning process. While preparing the State's updated Annual Action Plan, input on Georgia's housing and community development needs was received at a public hearing held at four locations – Atlanta, Macon, Douglas, and Thomson. The following is a summary of the comments received at each location. Responses by the State as necessary are provided in parentheses and in small type immediately following the respective comment.

WEDNESDAY, NOVEMBER 13, 2003

ATLANTA / DCA BOARD ROOM

Attendees: 19 

COMMENTS #1: How does DCA determine how much money it will receive from HUD from year-to-year?

(STATE RESPONSE) HUD distributes the money based upon a formula to all states. The amount of funds HUD receives to allocate is based upon the budget passed by Congress

COMMENTS #2: How does the ESG program fund projects?

(STATE RESPONSE) Funds are distributed through nonprofits or local governments.

COMMENTS #3: Please explain the CDBG economic development application process a bit more.

(STATE RESPONSE) There are annual competitions, which allows local governments to compete for funding. Applications are evaluated on the feasibility of the projects and whether the costs are reasonable and comply with rules and regulations. The projects are compared to one another to determine the ones that serve the greatest need. The demographic score and the per capita income are other methods of evaluating the application.

WRITTEN COMMENTS:

DELMONT NEAL - THE YOUNG ADULT GUIDANCE CENTER, INC.: The Plan should detail the percentage allocated for new programs and existing programs under the various initiatives. (i.e. HOME, CDGB, HOPWA etc.)

How are these state funding allocations and figures in the plan reflect those county and local initiatives and vice versa?

(STATE RESPONSE) DCA provides tables or a statement in the Consolidated Plan that describes the allocation of HOME, CDBG, HOPWA, and ESGP funds for current programs. It is also stated in the plan that DCA reserves the right to redistribute this funding allocation at

anytime during the course of the program year , as production demand warrants. This is done so that DCA can reallocate funds from non-productive programs to new programs.

In preparing the five-year Consolidated Plan, DCA conducted an analysis of census data and other resources to determine the housing and non-housing needs within the State of Georgia. This analysis was used to establish a common need shared by most counties within the State. Programs were established and allocations made based upon the most prevalent need. It is then up to local governments to submit applications for funding to address the unmet needs within their communities.

MONDAY, NOVEMBER 24, 2003

MACON / GEORGIA MUSIC HALL OF FAME

Attendees: 9 

COMMENTER #1: It seems that these programs have a bias to multifamily development.

(STATE RESPONSE) Not necessarily. HOME funds, in addition to bond dollars, cover the single-family OwnHOME program. Funds are also directed to two new single-family programs. In addition, the CHIP program also provides funds for single-family projects.

COMMENTER #2: The Rural Rental Housing Development Fund program seems to focus training capacity on public housing authorities in order to get them into building programs, which is not available to nonprofits not affiliated to the housing authority.

(STATE RESPONSE) Technical assistance training is available through the CHDO program. Willis Grant administers this program. The CHDO program is not limited to nonprofits affiliated with housing authorities.

COMMENTER #3: Our organization (in Macon) uses CDBG funds for home modifications. Do we get a certain amount of funds each year?

(STATE RESPONSE) Macon is a CDBG entitlement community and your organization would need to contact the City of Macon to receive information on the amount of their annual allocation.

WRITTEN COMMENTS:

Yasmin Middleton / Disability Connection: I think that it would be helpful if the public knew what organizations in there area are receiving funding so that if they are in need of these services, they would know who to contact.

(STATE RESPONSE) The state has an awards database on our website (www.dca.state.ga.us/pad/) that provides information about the financial assistance provided by DCA to individuals, local governments, local government authorities, non-profits and other organizations, summarized to the county level.

TUESDAY, DECEMBER 2, 2003
VALDOSTA / CITY HALL ANNEX
Attendees: 12

COMMENTER #1: The fair market rents are so low, you can not rent decent housing. How are they set?

(STATE RESPONSE) The fair market rents are set by HUD.

COMMENTER #2: It appears that most requests for funds is to improve infrastructure. There is a need for youth centers.

(STATE RESPONSE) DCA offers communities a chance to apply for funding to meet the need in their community. It is up to the local government to submit an application that addresses the most prevalent need in their community.

COMMENTER #3: It appears to me that we as citizens and service groups need to get more involved with the local governments.

(STATE RESPONSE) That would be a great start.

WRITTEN COMMENTS:

Charles R. Everitt Jr. / Lanier Commission for Children, Youth and Families Inc.: Many rural areas seem to be left out of the benefits of these programs because of low income and the lack of jobs. Housing is critical and we are having difficulty regarding home improvements for the disabled.

(STATE RESPONSE) During the FFY2003 fifty eight percent of HOME funds utilized were spent in rural communities. Local governments may apply for funds through either the CHIP or CDBG program to address owner occupied housing repairs.

WEDNESDAY, DECEMBER 3, 2003
HINESVILLE / CITY COUNCIL ROOM
Attendees: 4

COMMENTER #1: We would like to receive funds to rehab and convert an old movie theater. Does it have to be declared as a blight to receive redevelopment funds.

(STATE RESPONSE) Contact Mitch Griggs at (404) 679-xxxx to receive information on this process.

COMMENTER #2: The requirement to leverage CHIP funds place a hardship on recipients. Local governments has to make up the difference. This need to be reconsidered.

(STATE RESPONSE) The CHIP program receives an annual allocation of \$3,000,000 and local governments are eligible to receive up to \$300,000. The decision to require leverage was made in the effort to ensure that as many families as possible would benefit from assistance through this program.

Appendix C

***SUMMARY OF WRITTEN COMMENTS SUBMITTED ON THE STATE'S DRAFT
FFY2004 CONSOLIDATED PLAN ANNUAL ACTION PLAN UPDATE***

Written public comments were accepted on the Draft Annual Action Plan from February 1, 2004 until March 1, 2004. There were no written public comments received.

Appendix D
2004 HUD MEDIAN FAMILY INCOME LIMITS

In response to requests made at the public hearings, the State has included a listing of the FFY2003 Median Family Income (MFI) Limits issued by HUD. The MFI figures provided are for a family of four persons by MSA/PMSA, Area County, and Nonmetropolitan Area County. Generally, the receipt of consolidated formula program funds requires an income no higher than 80% of the median family income as adjusted for family size. These income limits were effective February 20, 2004.

The area definitions utilized by HUD generally are the same as those contained in OMB Bulletin 93-17 that was released on June 30, 1993. The following list identifies the counties included within each MSA/PMSA, area counties, and the nonmetropolitan counties in Georgia.

PMSA/MSA AREAS

Albany: Dougherty, Lee
Athens: Clarke, Madison, Oconee
Atlanta: Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, Walton
Augusta-Aiken: Columbia, McDuffie, Richmond
Chattanooga: Catoosa, Dade, Walker
Columbus: Chattahoochee, Harris, Muscogee
Macon: Bibb, Houston, Jones, Peach, Twiggs
Savannah: Bryan, Chatham, Effingham

NONMETROPOLITAN AREAS:

Appling, Atkinson, Bacon, Baker, Baldwin, Banks, Ben Hill, Berrien, Bleckley, Brantley, Brooks, Bulloch, Burke, Butts, Calhoun, Camden, Candler, Charlton, Chattooga, Clay, Clinch, Coffee, Colquitt, Cook, Crawford, Crisp, Dawson, Decatur, Dodge, Dooly, Early, Echols, Elbert, Emanuel, Evans, Fannin, Floyd, Franklin, Gilmer, Glascock, Glynn, Gordon, Grady, Greene, Habersham, Hall, Hancock, Haralson, Hart, Heard, Irwin, Jackson, Jasper, Jeff Davis, Jefferson, Jenkins, Johnson, Lamar, Lanier, Laurens, Liberty, Lincoln, Long, Lowndes, Lumpkin, McIntosh, Macon, Marion, Meriwether, Miller, Mitchell, Monroe, Montgomery, Morgan, Murray, Meriwether, Miller, Mitchell, Monroe, Montgomery, Morgan, Murray, Oglethorpe, Pierce, Pike, Polk, Pulaski, Putnam, Quitman, Rabun, Randolph, Schley, Screven, Seminole, Stephens, Stewart, Sumter, Talbot, Taliaferro, Tattnall, Taylor, Telfair, Terrell, Thomas, Tift, Toombs, Towns, Treutlen, Troup, Turner, Union, Upson, Ware, Warren, Washington, Wayne, Webster, Wheeler, White, Whitfield, Wilcox, Wilkes, Wilkinson, and Worth.

Please note that the analysis included within the FFY2004 Consolidated Plan is not based on the MFI values shown in this appendix. The MFI values used within the

analysis were based on the same period of time and the same metropolitan area definitions as were used for the 2000 Census. The MFI figures shown within this appendix are the most recent figures issued by HUD effective for the beginning of the State's Program Year, July 1, 2003, and are provided for informational purposes only.

FFY2003 HUD MEDIAN FAMILY INCOME FIGURES FOR A FAMILY OF 4 - GEORGIA

Jurisdiction	MFI	Jurisdiction	MFI	Jurisdiction	MFI
MSA/PMSA					
Albany	\$47,000	Augusta	\$51,600	Macon	\$53,500
Athens	\$53,000	Chattanooga	\$50,900	Savannah	\$53,200
Atlanta	\$69,000	Columbus	\$47,900	---	---
NONMETROPOLITAN AREAS					
Appling	\$39,500	Glascokk	\$40,100	Polk	\$44,600
Atkinson	\$35,600	Glynn	\$54,300	Pulaski	\$46,400
Bacon	\$34,400	Gordon	\$49,300	Putnam	\$47,200
Baker	\$41,300	Grady	\$38,600	Quitman	\$36,500
Baldwin	\$49,300	Greene	\$46,100	Rabun	\$45,400
Banks	\$48,700	Habersham	\$48,600	Randolph	\$33,100
Ben Hill	\$37,300	Hall	\$57,600	Schley	\$40,900
Berrien	\$40,700	Hancock	\$29,600	Screven	\$37,400
Bleckley	\$41,000	Haralson	\$44,200	Seminole	\$41,800
Brantley	\$40,100	Hart	\$44,900	Stephens	\$42,800
Brooks	\$37,300	Heard	\$45,200	Stewart	\$33,400
Bulloch	\$48,400	Irwin	\$40,900	Sumter	\$41,300
Burke	\$36,100	Jackson	\$53,700	Talbot	\$41,600
Butts	\$50,300	Jasper	\$50,000	Taliaferro	\$36,100
Calhoun	\$36,500	Jeff Davis	\$34,800	Tattnall	\$41,300
Camden	\$50,300	Jefferson	\$36,000	Taylor	\$37,200
Candler	\$37,000	Jenkins	\$34,500	Telfair	\$34,900
Charlton	\$39,900	Johnson	\$36,000	Terrell	\$35,900
Chattooga	\$41,300	Lamar	\$49,300	Thomas	\$47,700
Clay	\$33,100	Lanier	\$39,000	Tift	\$43,800
Clinch	\$34,600	Laurens	\$43,900	Toombs	\$39,200
Coffee	\$41,400	Liberty	\$40,400	Towns	\$41,500
Colquitt	\$39,300	Lincoln	\$43,900	Treutlen	\$36,500
Cook	\$35,300	Long	\$40,200	Troup	\$49,600
Crawford	\$47,600	Lowndes	\$47,300	Turner	\$34,700
Crisp	\$38,000	Lumpkin	\$51,400	Union	\$44,700
Dawson	\$59,100	McIntosh	\$39,300	Upson	\$42,200
Decatur	\$37,600	Macon	\$33,000	Ware	\$38,600
Dodge	\$39,300	Marion	\$37,400	Warren	\$35,600
Dooly	\$42,400	Meriwether	\$44,200	Washington	\$39,600
Early	\$36,800	Miller	\$34,800	Wayne	\$45,700
Echols	\$31,900	Mitchell	\$35,600	Webster	\$41,400
Elbert	\$38,600	Monroe	\$58,500	Wheeler	\$32,100
Emanuel	\$36,200	Montgomery	\$43,700	White	\$46,800
Evans	\$33,600	Morgan	\$51,600	Whitfield	\$51,800
Fannin	\$41,300	Murray	\$47,200	Wilcox	\$38,300
Floyd	\$48,700	Oglethorpe	\$47,100	Wilkes	\$40,500
Franklin	\$44,000	Pierce	\$40,600	Wilkinson	\$44,900
Gilmer	\$45,000	Pike	\$55,500	Worth	\$45,500

Appendix E

**STATE OF GEORGIA 2004 QUALIFIED ALLOCATION PLAN FOR LOW INCOME
HOUSING TAX CREDITS AND AFFORDABLE HOUSING RESOURCES**

*Please contact Joy Fitzgerald, Office Director, Housing Finance Division at (404) 679-4865 if
you have any questions regarding this plan.*

The document may also be viewed on the DCA website.

If you are disabled and would like to receive this publication in an alternative format, please contact the Georgia Department of Community Affairs at (404) 679-4950, or (404) 679-4915 (TDD) or 1 (800) 736-1155 (TDD).



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