

PHA Plans

Streamlined Annual Version

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian
Housing

OMB No. 2577-0226
(exp. 05/31/2006)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief for certain types of PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Information in PHA plans is publicly available.

Streamlined Annual PHA Plan

for Fiscal Year: 2006

PHA Name: Georgia Department of Community Affairs: GA 901

NOTE: This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue.

Streamlined Annual PHA Plan Agency Identification

PHA Name: Ga Dept of Community Affairs **PHA Number:** GA901

PHA Fiscal Year Beginning: (mm/yyyy) 07/2006

PHA Programs Administered:

Public Housing and Section 8
 Section 8 Only
 Public Housing Only
 Number of public housing units:
 Number of S8 units:
 Number of public housing units:
 Number of S8 units:
 15,901

PHA Consortia: (check box if submitting a joint PHA Plan and complete table)

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

PHA Plan Contact Information:

Name: Brandie Garner Phone: 404-679-0668
 TDD: 800-736-1155 Email (if available): bgarner@dca.state.ga.us

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting:
 (select all that apply)

PHA's main administrative office
 PHA's development management offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plan revised policies or program changes (including attachments) are available for public review and inspection.
 Yes No.

If yes, select all that apply:

Main administrative office of the PHA
 PHA development management offices
 Main administrative office of the local, county or State government
 Public library
 PHA website
 Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

Main business office of the PHA
 PHA development management offices
 Other (list below)

Streamlined Annual PHA Plan
Fiscal Year 2006
[24 CFR Part 903.12(c)]

Table of Contents
[24 CFR 903.7(r)]

Provide a table of contents for the Plan, including applicable additional requirements, and a list of supporting documents available for public inspection.

A. PHA PLAN COMPONENTS

- 1. Site-Based Waiting List Policies
903.7(b)(2) Policies on Eligibility, Selection, and Admissions
- 2. Capital Improvement Needs
903.7(g) Statement of Capital Improvements Needed
- 3. Section 8(y) Homeownership
903.7(k)(1)(i) Statement of Homeownership Programs
- 4. Project-Based Voucher Programs
- 5. PHA Statement of Consistency with Consolidated Plan. Complete only if PHA has changed any policies, programs, or plan components from its last Annual Plan.
- 6. Supporting Documents Available for Review
- 7. Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report
- 8. Capital Fund Program 5-Year Action Plan

B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50076, *PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Streamlined Annual Plan* identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office;

For PHAs Applying for Formula Capital Fund Program (CFP) Grants:

Form HUD-50070, *Certification for a Drug-Free Workplace*;

Form HUD-50071, *Certification of Payments to Influence Federal Transactions*; and

Form SF-LLL & SF-LLL a, *Disclosure of Lobbying Activities*.

1. Site-Based Waiting Lists (Eligibility, Selection, Admissions Policies)

[24 CFR Part 903.12(c), 903.7(b)(2)]

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Site-Based Waiting Lists-Previous Year

1. Has the PHA operated one or more site-based waiting lists in the previous year? If yes, complete the following table; if not skip to B.

Site-Based Waiting Lists				
Development Information: (Name, number, location)	Date Initiated	Initial mix of Racial, Ethnic or Disability Demographics	Current mix of Racial, Ethnic or Disability Demographics since Initiation of SBWL	Percent change between initial and current mix of Racial, Ethnic, or Disability demographics

2. What is the number of site based waiting list developments to which families may apply at one time?
3. How many unit offers may an applicant turn down before being removed from the site-based waiting list?
4. Yes No: Is the PHA the subject of any pending fair housing complaint by HUD or any court order or settlement agreement? If yes, describe the order, agreement or complaint and describe how use of a site-based waiting list will not violate or be inconsistent with the order, agreement or complaint below:

B. Site-Based Waiting Lists – Coming Year

If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to next component.

1. How many site-based waiting lists will the PHA operate in the coming year?
2. Yes No: Are any or all of the PHA’s site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
If yes, how many lists?

3. Yes No: May families be on more than one list simultaneously
If yes, how many lists?
4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
- PHA main administrative office
 - All PHA development management offices
 - Management offices at developments with site-based waiting lists
 - At the development to which they would like to apply
 - Other (list below)

2. Capital Improvement Needs

[24 CFR Part 903.12 (c), 903.7 (g)]

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Capital Fund Program

1. Yes No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 7 and 8 of this template (Capital Fund Program tables). If no, skip to B.
2. Yes No: Does the PHA propose to use any portion of its CFP funds to repay debt incurred to finance capital improvements? If so, the PHA must identify in its annual and 5-year capital plans the development(s) where such improvements will be made and show both how the proceeds of the financing will be used and the amount of the annual payments required to service the debt. (Note that separate HUD approval is required for such financing activities.).

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

1. Yes No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to #3; if yes, provide responses to the items on the chart located on the next page, copying and completing as many times as necessary).
2. Status of HOPE VI revitalization grant(s):

HOPE VI Revitalization Grant Status	
a. Development Name:	
b. Development Number:	
c. Status of Grant:	
	<input type="checkbox"/> Revitalization Plan under development
	<input type="checkbox"/> Revitalization Plan submitted, pending approval
	<input type="checkbox"/> Revitalization Plan approved
	<input type="checkbox"/> Activities pursuant to an approved Revitalization Plan underway

3. Yes No: Does the PHA expect to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name(s) below:

4. Yes No: Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year? If yes, list developments or activities below:

5. Yes No: Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:

3. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program
(if applicable) [24 CFR Part 903.12(c), 903.7(k)(1)(i)]

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to the next component; if "yes", complete each program description below (copy and complete questions for each program identified.)

2. Program Description: DCA will operate a Section 8/Homeownership program pursuant to 24 CFR 982.625 in order to expand homeownership opportunities to households that receive Section 8 Rental Assistance in which the head of household, spouse or dependant is disabled. The program will enable an eligible household to purchase a home utilizing the Section 8 Housing Assistance Payment (HAP) as income for the purpose of qualifying for a mortgage loan.

a. Size of Program

Yes No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

If the answer to the question above was yes, what is the maximum number of participants this fiscal year?

b. PHA-established eligibility criteria

Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?
If yes, list criteria:

(1.) A Household receiving Section 8 Rental Assistance and that has a household member with a qualified disability, as determined by DCA Section 8 guidelines, will meet the immediate threshold for participating in the program.

A qualified disability will be determined in all cases by the applicant's ability to demonstrate current designation by the U.S. Social Security Administration as an individual or other household member receiving benefits through the SSI or the SSDI programs. The Social Security Administration broadly defines a disability as "the inability to do any kind of substantial gainful work because of a physical or mental impairment (or combination of impairments) which is expected to last at least 12 months or end in death."

(2.) Additionally, the household must meet each of the following guidelines:

- Must currently be receiving from DCA and have received Section 8 Rental Assistance from a DCA for the past two years.
- Must have a minimum annual household income of \$10,300 (not including any welfare assistance).
- Must be a first-time homebuyer as defined by HUD.

c. What actions will the PHA undertake to implement the program this year (list)? Identify and notify eligible participants. Assist participant in locating suitable housing and homebuyers assistance.

3. Capacity of the PHA to Administer a Section 8 Homeownership Program:

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
- Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
- Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below):
- Demonstrating that it has other relevant experience (list experience below):

4. Use of the Project-Based Voucher Program

Intent to Use Project-Based Assistance

Yes No: Does the PHA plan to "project-base" any tenant-based Section 8 vouchers in the coming year? If the answer is "no," go to the next component. If yes, answer the following questions.

1. Yes No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option? If yes, check which circumstances apply:

- low utilization rate for vouchers due to lack of suitable rental units
 access to neighborhoods outside of high poverty areas
 other (describe below:) Special Populations needs, Victims of Domestic Violence

2. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts): 28, Valdosta Georgia

5. PHA Statement of Consistency with the Consolidated Plan

[24 CFR Part 903.15]

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary) only if the PHA has provided a certification listing program or policy changes from its last Annual Plan submission.

1. Consolidated Plan jurisdiction: State of Georgia

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families on its waiting lists on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
- * 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.
 - * 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.
 - * To increase the access of Georgia's special need populations to a continuum of housing and supportive services which address their housing, economic, health, and social needs.
 - * To increase the access of Georgia's elderly population to a continuum of housing and supportive services which address their housing, economic, and social needs.
- Other: (list below)

3. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

Provide 12,432 extremely low, 3,696 low-income, and 3,696 moderate-income households with rental assistance.

Activity:

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.

6. Supporting Documents Available for Review for Streamlined Annual PHA Plans

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;</i>	5 Year and Annual Plans
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan</i>	Streamlined Annual Plans
X	<i>Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.</i>	5 Year and standard Annual Plans
X	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA’s public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP] and the Site-Based Waiting List Procedure.	Annual Plan: Eligibility, Selection, and Admissions Policies
	Deconcentration Income Analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. <input type="checkbox"/> Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation).	Annual Plan: Operations and Maintenance
	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
		Sufficiency
X	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
X	Any policies governing any Section 8 special housing types <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> Check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. See PIH Notice 99-52 (HA).	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937.	Annual Plan: Conversion of Public Housing
	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
X	Policies governing any Section 8 Homeownership program (Section 24 of the Section 8 Administrative Plan)	Annual Plan: Homeownership
	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Pet Policy
	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)
	Consortium agreement(s) and for Consortium Joint PHA Plans <u>Only</u> : Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection.	Joint Annual PHA Plan for Consortia: Agency Identification and Annual Management and Operations

7. Capital Fund Program Annual Statement/Performance and Evaluation Report and Replacement Housing Factor

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary					
PHA Name:		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:			Federal FY of Grant:
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)					
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

8. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan					
Part I: Summary					
PHA Name				<input type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:	
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2	Work Statement for Year 3	Work Statement for Year 4	Work Statement for Year 5
		FFY Grant: PHA FY:	FFY Grant: PHA FY:	FFY Grant: PHA FY:	FFY Grant: PHA FY:
	Annual Statement				
CFP Funds Listed for 5-year planning					
Replacement Housing Factor Funds					

Barry Troutman
U.S. Department of HUD
Office of Public Housing
Five Points Plaza Building
40 Marietta Street, 17th Floor
Atlanta, GA 30303

April 17, 2006

Dear Mr. Troutman,

RE: Georgia Department of Community Affairs Annual Plan

Enclosed are the following:

- 1) Certification of Payments to Influence Federal Transactions (HUD 50071)
- 2) Certification for a Drug-Free Workplace (HUD 50070)
- 3) Certification of Consistency with the Consolidated Plan (HUD 2991)
- 4) PHA Certifications of Compliance with the PHA Plans and Related Regulations
Board Resolution to Accompany PHA Plan (HUD 50076)

Please be advised that The Georgia Department of Community Affairs electronically transmitted DCA's Annual Plan to the Atlanta HUD office on April 17, 2006.

If you should have any questions or if you require additional information please feel free to contact me at 404-679-1726 at your convenience.

Very Truly Yours,

Michael Timm
Rental Assistance Program

**FFY2005 – FFY2010
CONSOLIDATED PLAN
OF THE
STATE OF GEORGIA**

*Sonny Perdue
Governor*

Prepared By:

*Georgia Department of Community Affairs
Mike Beatty, Commissioner*

Contact Persons:

*Don Watt
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TABLE OF CONTENTS

Executive Summary	i
Introduction to Georgia’s Consolidated Plan	1
Overview of the Citizen Participation and Consultation Process	4
Housing and Homeless Needs Assessment	7
Projected Housing Needs 2005 – 2010	7
Categories of Persons Affected	21
Racial / Ethnic Groups of Disproportionate Need	45
Georgia’s Homeless	48
Other Populations with Supportive Housing Needs	68
Georgia’s Population with HIV/AIDS	78
Georgia’s Lead-Based Paint Hazards	83
Housing Market Analysis	86
General Characteristics	86
Regional Variations in Housing Market Conditions	92
Georgia’s Homeless Facilities and Services	100
Georgia’s Special Needs Facilities and Services	106
Regulatory Barriers to Affordable Housing in Georgia	119
Strategic Plan	124
Overview of Georgia’s Housing and Community Development Priority Needs	124
Strategies to Address Georgia’s Affordable Housing Needs	126
Strategies to Address the Needs of Georgia’s Homeless	137
Strategies to Address Georgia’s Other Special Needs Households	147
Non-Housing Community Development Strategies	154
Strategies to Eliminate Barriers to Affordable Housing	158
Strategies to Eliminate Lead-Based Paint Hazards	159
Georgia’s Anti-Poverty Strategy	161
Institutional Structure of Georgia’s Housing Delivery System	164
Georgia’s Strategy to Enhance Coordination	177
Georgia’s Strategies to Coordinate the Low Income Housing Tax Credit with the Development of Affordable Housing	179
Public Housing Resident Initiatives	180

Action Plan	181
SF-424	182
Federal Resources Available to Georgia	187
Non-Federal Public Resources	191
Georgia's Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of HOME Funds	194
Georgia's Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of ADDI Funds	216
Georgia's Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of CDBG Funds	223
Georgia's Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of ESGP Funds	257
Georgia's Proposed Distribution Method, Geographic Allocation and Program Specific Federal Requirements of HOPWA Funds	264
Georgia's Activities to Meet the State's Housing Priorities and Objectives	268
Georgia's Activities to Address the Needs of the Homeless and Other Special Need Groups	286
Other Actions to be Implemented by Georgia	290
Monitoring	299
Appendices	
Appendix A: Certifications	A-1
Appendix B: Public Comments	B-1
Appendix C: State of Georgia 2005 List of HOPWA Regional Sponsors & Areas of Coverage	C-1
Appendix D: 2005 HUD Median Family Income Limits	D-1
Appendix E: State of Georgia 2005 Qualified Allocation Plan	E-1
Appendix F: Housing Affordability Data	F-1
Appendix G: Average Home Prices in Georgia	G-1
Appendix H: Other Housing Data Resources	H-1
Appendix I: Service Delivery Regions Map	I-1
Appendix J: Housing Gaps Analysis Methodology	J-1
Appendix K: ESGP Participants as of 8/31/04	K-1
Appendix L: Glossary of Terms	L-1
Appendix M: Written Comments	M-1
Appendix N: Inventory of Service Activity & Housing	N-1
Appendix O: Table 2B Community Development Needs	O-1

EXECUTIVE SUMMARY



**STATE OF GEORGIA
FIVE YEAR CONSOLIDATED PLAN
July 1, 2005 – June 30, 2010**

*Sonny Perdue
Governor*

*Prepared By:
Georgia Department of Community Affairs
Mike Beatty, Commissioner*

MAY 2005

Executive Summary

BACKGROUND

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

The Consolidated Plan also updates the state's assessment of the housing needs of low and moderate income Georgians and provides a five-year strategic plan outlining priorities, objectives, and the investment of resources to meet these goals. An action plan for use of FFY2005 consolidated formula funds is also included, which identifies priorities and objectives during SFY2006 (July 1, 2005 – June 30, 2006). The Georgia Department of Community Affairs serves as the lead agency in the state's implementation of the Consolidated Plan for SFY2006.

CITIZEN PARTICIPATION

The Consolidated Plan provides an opportunity for citizens, nonprofit organizations, or other interested parties to help define priorities for addressing local and statewide needs and to tailor a strategic plan for meeting identified needs. While preparing the state's updated Consolidated Plan, input on Georgia's housing and community development needs was received through Roundtable Meetings held at the Georgia Department of Community Affairs and through public hearings held in Albany, Atlanta, Augusta, and Brunswick. 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 December 15. All public comments received through the citizen participation process have been incorporated into the final Consolidated Plan and are included for review in Appendix B of this document.

STATE PROFILE

During the 1990s, Georgia experienced tremendous population growth. The 2000 U.S. Census data revealed that Georgia had 8.1 million residents – an increase of more than 1.7 million since 1990. Most of that growth was experienced in the Metro Atlanta area and in the North Georgia region. Several counties in Middle and South Georgia did not experience population growth during this time period.

Between 1990 and 2000, Georgia was the sixth fastest growing state on a percentage basis, and the fourth fastest growing in numbers of residents. In the 2000 Census, Georgia ranked as the tenth most populous state in the United States. Migration from other states and countries has primarily driven this growth. In the period from 1990 to 2000, a total of 151 of Georgia's 159 counties experienced population growth. That figure is greater than the 116 Georgia counties that had increases in population during the period of 1980 to 1990. In 2002, the Georgia Office of Planning and Budget projected the state's 2010 population to be at approximately 9.5 million. Current Census estimates indicate that approximately 8.6 million people reside in Georgia.

HOUSING AND HOMELESS NEEDS ASSESSMENT

Housing Needs of Georgians

Regardless of tenure, income, or household type, the most common problem affecting all households is cost burden. Almost one in four households pays at least 30% of their income for housing. At least 9% of all Georgia households are severely cost burdened and devote at least 50% of their income for housing.

Renter households are more severely cost burdened at the extremely low income levels than homeowners. In contrast, homeowners in the three higher income categories are more cost burdened than renters. Although Georgia has a very diverse ethnic and racial mixture, data shows evidence of disproportionate need for two groups: Hispanic households and elderly black households.

Georgia's populations with supportive housing needs include the elderly and frail elderly; individuals with mental, physical, and/or developmental disabilities; individuals with alcohol and/or other drug addictions; individuals with HIV/AIDS; migrant farmworkers; and public housing residents.

Needs of Homeless Georgians

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

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

Lead Based Paint

Low-income households that earn between 0 and 50% of MFI are least able to afford well-maintained housing and therefore are often at greater risk of lead poisoning. Using 2000 Census data for the number of housing units by tenure and year built, along with 2000 CHAS data for the distribution of housing units by age, tenure, and income group, the state found that almost 303,391 housing units occupied by low-income households are believed to have lead-based paint hazards. This problem almost equally impacts owners and renters with low and moderate incomes.

Twelve counties are targeted as “high-risk” for lead poisoning hazards by the Georgia Lead Poisoning Prevention Program. The following counties were selected based on the age of the housing stock and the numbers of children with elevated blood lead levels residing there: Bibb, Chatham, Cobb, DeKalb, Fulton, Glynn, Gwinnett, Hall, Richmond, Sumter, Thomas, and Troup.

HOUSING MARKET ANALYSIS

Housing Market Conditions

Georgia’s housing market, in terms of home sales and homeownership, has been strong for the last several years. Continued population growth, combined with increasingly smaller household sizes and record low mortgage rates, has spurred tremendous growth in the housing market for Georgia as well as for the nation. In fact, the number of housing units increased approximately 27% from 1990 to 2000. However, the increase in Georgia’s housing units from 1990 to 2000 did not keep pace with the increase in Georgia’s population during this time (24% to 26%, respectively). Furthermore, the population increase played a major factor in the growth of owner-occupied housing units when compared to renter-occupied units.

In 2000, Georgia’s housing stock consisted of 67% single-family houses, 7% two- to four-unit houses, 14% multifamily units, and 12% mobile homes. From 2000 to 2002, the housing unit inventory increased by an estimated 6.3%, or 205,335 units, to 3,487,088. During this same time period, Georgia ranked fourth in the nation as having the greatest percentage of housing unit change. Much of this development activity was concentrated in or near Atlanta. In fact, in 2002 and 2003, Atlanta had the highest number of building permits issued out of all MSAs in the United States. Statewide in 2002, building permits were issued for 97,385 units. However, building permits in 2003 declined to 94,773. The majority of these permits were issued for single-family units.

Housing Structural Conditions

The 2000 U.S. Census contains five factors that describe the condition of the housing stock. They include: presence of kitchen and plumbing facilities, heating source, overcrowding, and age of the housing unit. These factors, however, have obvious limitations: no information is provided on the actual structural conditions of the housing units. Fortunately, these statistics do provide some measure of housing conditions. The following summarizes the findings for housing conditions in each of the four categories reported in the 2000 Census.

Kitchen Facilities – More than 99% of Georgia’s housing units had kitchen facilities. Only 0.5% (15,161) lacked complete kitchen facilities.

Plumbing Facilities – Almost all housing units had plumbing facilities. A total of 17,117 units, approximately 0.6%, lacked complete plumbing facilities.

Heating Source – The majority of Georgia’s houses were heated by utility gas (49%). Thirty-eight percent (38%) utilized electricity as the source of heating; 11% used bottled, tank, or LP gas; and the remaining 2% used another fuel or no fuel at all.

Overcrowding – Conditions of overcrowding, defined as more than one person per room, affected 4.8% of all occupied housing units in Georgia. Renters were more likely to live in overcrowded units than owners (9.8% and 2.4%, respectively). Hispanics were more likely to live in overcrowded housing than all other racial/ethnic groups.

Age of Housing Stock - Twenty-eight percent (28%) of Georgia’s housing units were 10 years old or less in 2000, 22% were between 11 and 20 years old, 31% were between 21 and 40 years old, and 19% were at least 40 years old.

Regulatory Barriers to Affordable Housing

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

HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

Vision for Change

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

Strategic Plan Priorities

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

Direct Benefit Priorities

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

Production Improvement Priorities

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

The state recognizes that its efforts to improve the production of housing and supportive service providers will be reflected in the number of households which 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 over the next five years. While the absolute number of households will increase, the percentage of households affected by cost burden, overcrowding, and physically defective housing should remain constant.

The use of federal, state, local, and private resources will help to alleviate but not eliminate these problems. The Strategic Plan estimates, based on resources to be available over a five-year period, that the state will provide the following benefits to low- and moderate-income Georgians:

- Construct or rehabilitate 1,820 affordable rental housing units.
- Provide rental assistance for 84,000 households.
- Assist 3,519 households to achieve or maintain homeownership in housing free of overcrowded and structurally substandard conditions.
- Increase the number of Spanish-speaking households assisted under all programs by 100 percent.
- Assist an average of 65,000 homeless individuals with housing and supportive services.
- Assist local governments or organizations with providing housing and supportive services to 3,300 special need households and 435 elderly persons.
- Make housing assistance funding awards to 400 individuals to enable the household to transfer from institutional to community living situations.

Eliminating Barriers to Affordable Housing

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

The state will continue these efforts over the 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; implementing actions recommended in the Analysis of Impediments to Fair Housing Choice; and providing training and technical assistance programs to local governments.

Anti-Poverty Strategy

In 1999, Census statistics indicated that 13% of Georgia's population lived below the poverty level, higher than the national average of 12.4%. However, the percentage of Georgians

living below the poverty level has decreased since 1989, from 14.7% to 13%. However, the number of Georgians living below the poverty level actually increased over this period, from 923,085 in 1989 to 1,033,793 in 1999. 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 the following goals to reduce poverty among its residents:

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

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.

ANNUAL ACTION PLAN FOR SFY2006

The Action Plan details the State's plan for use of its consolidated formula FFY2005 funding allocation from the U.S. Department of Housing and Urban Development. During SFY2006, a time period beginning July 1, 2005 and ending June 30, 2006, the State expects to tap a variety of federal resources to address Georgia's housing and community development needs. These resources include the five formula grants covered by the State's Consolidated Plan: the HOME Investment Partnerships (HOME), American Dream Downpayment Initiative (ADDI), Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESGP) programs.

The State's projected allocation is divided between programs as follows: CDBG (\$44,682,266); HOME (\$23,246,789); ADDI (\$720,182); ESGP (\$2,085,940); HOPWA (\$1,527,000).

Community Development Block Grant (CDBG)

Non-Housing Quantified Objectives

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

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 (FFY2004) 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 FFY2004 CDBG competition the amount of cash match required and pledged was \$909,876. 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 2005 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 State is allowed to use up to 1% of each year's CDBG allocation for technical assistance activities. For the upcoming Program Year, DCA is setting aside \$471,312 of the total allocation from HUD for these activities.

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

HOME Investment Partnership Program

Using its allocation of federal HOME funds, State funds appropriated as match to the HOME program, and program income generated from the repayment of loans to the HOME program, the State will operate thirteen 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 households who are homeless or threatened with homelessness and who have a mental or developmental disability or are recovering substance abusers. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for targeted special need tenants. The dwelling units must be affordable to low-income households and at least 50% of the total units must be available to the targeted 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 First Mortgage program.
- Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages to cover a portion of down payment, closing costs, and prepaid expenses and provides principal reduction 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 borrowers to cover costs associated with down payment, closing costs, prepaid expenses, and principal reduction. To be eligible for assistance, at least one individual residing in the household must have a disability. This program provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- 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 costs, and pre-paid expenses 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.
- 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 SFY2006, 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 approved, HOME eligible housing activities except tenant-based rental assistance. 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.

American Dream Downpayment Initiative (ADDI)

Using its allocation of federal ADDI funds and program income generated from the repayment of loans to the ADDI program, the state proposes to operate the following six programs using its FFY2005 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 First Mortgage program.

- Rural Development Georgia Dream Second Mortgage Program offers deferred payment second mortgages to cover a portion of down payment, closing costs, and prepaid expenses and provides principal reduction 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 borrowers to cover costs associated with down payment, closing costs, prepaid expenses, and principal reduction. To be eligible for assistance, at least one individual residing in the household must have a disability. This program provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
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- 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 costs, and pre-paid expenses as well as for principal reduction.

Emergency Shelter Grant (ESG)

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. Local governments are eligible to apply. To the extent determined under State law by HTF and DCA, private, nonprofit organizations are eligible to apply for funds.

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

Essential Services - \$30,000 per activity; Homeless Prevention - \$20,000 per program; Technical Assistance - \$10,000 per activity; and Development - \$75,000 per organization. Net Federal FFY2005 funds available under the HUD ESG Program are estimated to be \$2,085,940. State HTF Commission funds available are estimated to be \$2,085,940, for a total of \$4,171,880 to address homelessness.

Utilizing these funding sources, DCA anticipates assisting persons who 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 homelessness, funds to prevent homelessness, housing and service referrals to homeless persons, funds necessary to procure permanent housing, job training, skills development, transportation, and other services necessary to break the cycle of homelessness.

DCA will utilize State funds to continue the implementation of its Continuum of Care Plan. Planned actions for FFY2005 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.

Housing Opportunities for Persons with AIDS (HOPWA)

The intended use of HOPWA funds is to provide housing and supportive services to low income persons with HIV-related needs, principally in the State's 127-county jurisdiction. DCA will utilize these funds to sponsor housing units to house low income persons with HIV or members of their families and to provide supportive services.

Eligible activities are those named in current HUD regulations for the HOPWA program. Activities include, but are not limited to housing, housing or fair housing information, acquisition, rehabilitation, limited new construction, rental assistance (including shared housing), homelessness prevention, supportive services (health, mental health, assessment, drug and alcohol, day care, personal assistance, nutritional services, etc.), general case management, housing operating subsidies, and technical assistance.

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

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

Anticipated Results

These activities planned for SFY2006 to meet the State's housing priorities and objectives are expected to result in the:

- Rehabilitation or construction of 364 affordable rental housing units for low or moderate income households.
- Provision of 16,800 low or moderate income households with rental assistance.
- Assistance to 704 low or moderate income households achieve or maintain homeownership.
- Increase in the number of Spanish speaking households under all programs by 100 percent
- Awarding of funds to organizations that provide housing and/or supportive services necessary to break the cycle of homelessness assisting an estimated 13,000 homeless persons daily.
- Awarding of funds to organizations that provide the housing and supportive services necessary for 600 special need households to achieve decent, safe and sanitary living conditions.
- Provision of housing assistance and information to 80 special need households in order to enable them to transfer from institutional to community living situations.
- Make funding awards to local governments, or organizations that assist 87 elderly persons with housing and/or supportive services necessary to achieve or maintain decent, safe and sanitary living conditions.

Section I: Introduction to Georgia's Consolidated Plan

The Consolidated Plan enables the state of Georgia to examine the housing and community development needs of the state. Based upon this examination, the state is able to develop programs that effectively utilize the scarce resources available to address these concerns and to improve the quality of life for its low and moderate-income residents.

This document also serves as the state's application to the U.S. Department of Housing and Urban Development (HUD) for the receipt of federal Consolidated Funds, including monies available under the Community Development Block Grant (CDBG), Emergency Shelter Grant Program (ESGP), HOME Investment Partnerships (HOME), Housing Opportunities for People with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) programs.

The overall goal of the community planning and development programs covered by this document is to develop viable communities by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low and moderate income persons.

A. LEAD AGENCY

The Georgia Department of Community Affairs (DCA) is the lead agency for the management of the application planning and reporting requirements for community planning and development programs. Consequently, DCA is charged with overseeing the development of the Consolidated Plan.

Each year, DCA updates the Annual Action Plan section of this document. In addition, DCA annually prepares a Performance Report to assess its efforts during the previous year to meeting its annual and five-year performance goals. The program year covered under this plan will begin on July 1, 2005 with the start of SFY 2006. After verifying that the state of Georgia has met all necessary federal requirements, HUD will make available to the state on this date its consolidated formula allocation, including CDBG, HOME, ESGP, HOPWA, and ADDI funds.

B. METHODOLOGY

Georgia's Consolidated Plan has been prepared for submission per federal regulations requiring the state to revise the entire Consolidated Plan at least once every five years. This document was developed through a cooperative effort of several divisions within the Georgia Department of Community Affairs, including the Housing Finance Division, the Community Services Division, and the Business and Financial Assistance Division. Special interest groups and private citizens also participated in the planning process, which is further described in this section.

Consolidating department goals and objectives relating to housing, community and economic development, and community services creates a more focused objective for public officials and reduces duplication of efforts. Given the required scope of the document, DCA utilized a multifaceted approach in order to complete the Consolidated Plan, as noted below.

1. Analyzed demographic data to use as a reference point for discussion of Georgia's housing needs. Data was primarily obtained from HUD's 2000 *Comprehensive Housing Affordability Strategy* (CHAS), U.S. Census Bureau, and the 2010 Georgia Household Population Projections (issued by the Georgia Office of Planning and Budget).
2. Contacted the Georgia Department of Human Resources, in addition to other governmental agencies, for information about the housing needs of Georgia's special need populations.
3. Conducted an analysis of Georgia's lead-based paint hazards using data obtained from the Georgia Lead Poisoning Prevention Program and the U.S. Census.
4. Analyzed Georgia's housing market conditions using information primarily obtained from the U.S. Census, HUD, and the *State of the State's Housing* report.
5. Obtained input from the citizenry, as described below in section C.

The major sections of the Consolidated Plan are as follows:

- General explanation of the development of Georgia's Consolidated Plan
- Housing and homeless needs assessment
- Housing market analysis
- Five-year strategic plan (describes the goals and objectives that the state has identified based upon the needs assessment)
- One-year action plan (describes the specific activities to be conducted in the coming fiscal year)
- Certifications
- Monitoring activities (describes the standards and procedures that the state will use to monitor activities related to the plan)

Section II: Overview of the Citizen Participation and Consultation Process

During the development of the FFY2005 – 2010 Consolidated Plan, the state of Georgia followed applicable citizen participation requirements specified in the regulations for the Plan which were issued January 5, 1995. A formal, written Citizen Participation Plan became effective July 1, 1996, and includes all citizen participation requirements specified in the Consolidated Plan regulations. This plan has been followed during each year's Annual Action Plan and Performance Report updates, as well as during this five-year update to the Consolidated Plan.

This Consolidated Plan update has been developed through the efforts of the Georgia Department of Community Affairs with the cooperation of federal, state, and local government agencies; nonprofit organizations; and concerned citizens. To assist in identifying Georgia's housing and community development needs, the state solicited input from other organizations through several mechanisms.

A. ROUNDTABLE MEETINGS

In an effort to broaden public participation in the development of the plan, a series of three roundtable meetings was conducted to solicit input from various housing and community service representatives from across the state. These representatives included individuals from the Cooperative Resource Center Inc., Cuthbert Housing Authority, Fort Valley State University, Georgia Coalition to End Homelessness, Georgia Department of Human Resources, Georgia Tech, Latin American Association, Statewide Independent Living Council of Georgia, Union Mission Inc., and the University of Georgia. DCA hosted the meetings in March, May, and September 2004. The meetings provided a forum for the

exchange of information about Georgia's housing and community development needs that are not captured by typical housing reports and data.

B. PUBLIC HEARINGS

Citizen participation is an integral part of the consolidated planning process. While preparing the Consolidated Plan, input on Georgia's housing and community development needs was received at public hearings held in Atlanta, Augusta, Albany, and Brunswick.

Hearing attendees were provided with the following information:

- Consolidated Plan overview
- Strategic Plan priorities and objectives
- State housing and homeless needs data
- State housing market conditions
- Amount of assistance that the state expects to receive for the CDBG, HOME, ESGP, HOPWA, and ADDI programs
- Range of activities that may be undertaken with this assistance

In an effort to achieve maximum participation at these hearings, announcements were published in the *Albany Herald*, *Athens Banner-Herald*, *Atlanta Journal Constitution*, *Augusta Chronicle*, *Columbus Ledger*, *Macon Telegraph*, *Rome News Tribune*, and *Savannah News Press*. The cities of Atlanta, Augusta, Albany, and Brunswick were specifically chosen to maximize the participation and input of citizens interested in affordable housing and community development issues of non-metropolitan areas. Atlanta was chosen in order to provide one location which was centrally located and accessible to local, state, and federal agency personnel as well as nonprofit providers. For each annual update, the hearing locations have been and will be moved to other jurisdictions across the state in order to allow for a broader dissemination of program information and to facilitation input on Georgia's housing and community development needs.

Notices were also mailed to recipients of Low Income Housing Tax Credits (LIHTCs), homeless housing and service providers including domestic violence and ESGP recipients, local HUD program administrators, Community Service Regions local boards, Empowerment Zones, Enterprise Communities, Renewal Communities, and members of the Statewide Independent Living Council. Notice was also provided to elected officials and selected administrators of local jurisdictions within Georgia, to each of the Regional Development Centers, the Housing Trust Fund for the Homeless, the Board of Community Affairs, and other interested parties.

Appendix B summarizes the comments received at these public hearings.

C. PUBLIC COMMENTS

In accordance with the state's Citizen Participation Plan, the draft Consolidated Plan was also made available for public review for a thirty-day period beginning December 15. These comments are summarized in Appendix B.

A comprehensive effort was made to disseminate draft versions of the FFY2005 – 2010 Consolidated Plan. Over 2,200 notices of availability of the draft document were distributed across the state, including to the DCA Board Members, Georgia Housing Trust Fund for the Homeless Commissioners, all county court commission chairmen, the directors of community housing development organizations, various nonprofit housing developers, and interested citizens.

The draft was made available for review on the DCA web site in a downloadable format. Hard copies of the plan were also made available. Comments were received from the public via e-mail and written letters.

All public comments received through the citizen participation process have been incorporated into the final Consolidated Plan and are included for review in Appendix B of this document.

Section III: Housing and Homeless Needs Assessment

A. PROJECTED HOUSING NEEDS 2005 – 2010

The most common type of household, claiming just over half of all households in Georgia, is the small family household with two to four people in it with at least one of the members related to the householder by birth or marriage. When considering those households with moderate income or lower (earning 80% or less of the median family income), 26% are elderly households (62 years +). The percentage of elderly households in Georgia will continue to rise as baby boomers age and household size continues to shrink. Another trend worth continued attention is that of homeownership. Through the end of the 1990s and into the new century, low interest rates encouraged the homeownership rate to rise to approximately 71.4% in 2003, up from 69.8% in 2000.

Based on a review of key economic and demographic indicators, Georgia's housing needs are not likely to change substantially over the next five years. The rates of growth in population, employment, and personal income are not anticipated to significantly exceed prior levels. While the absolute number of households will increase, the percentages of households affected by cost burden, overcrowding, and physically defective housing should remain constant.

The following tables present Georgia's projected housing needs through 2010 by income and tenure category for elderly, small family, and large family households.

Data for the household category “All Other Household Types” is also presented. These projections are based upon the following criteria:

1. The distribution among income categories and between household types is based upon 2000 Comprehensive Housing Affordability Strategy (CHAS) data. Source: U.S. Department of Housing and Urban Development (HUD), 2000 Comprehensive Housing Affordability Strategy (issued 2003).
2. The projected growth rate for Georgia households from 2000 to 2010 was calculated from data obtained from the Georgia Office of Planning and Budget. Source: Georgia Office of Planning and Budget, 2010 Georgia Household Population Projections (issued September 2002).
3. DCA assumed that the distribution among income categories and between household types found in 2000 CHAS data will not change significantly.

The projections were calculated using the 2000 CHAS distribution among income categories and between household types with the projected growth rate for Georgia households. The projections, however, do not take into account any future economic changes which may affect income, such as the increasing shift to low wage, service-oriented positions or the increasing use of temporary employees by both the public and private sectors. The discussions following the tables reflect 2000 CHAS data (see Appendix F for detailed CHAS data for Georgia).

Table 1: PROJECTED Extremely Low Income Household Types

0 – 30% of Median Family Income

HOUSEHOLD TYPE	2000	2005	2007	2009	2010
Renter Households					
Total	219,012	226,744	234,750	230,713	234,750
Elderly	45,839	49,993	51,758	53,585	54,523
Small Family	79,707	86,930	89,999	93,176	94,807
Large Family	21,906	23,891	24,735	25,608	26,056
All Other Households	71,560	78,045	80,800	83,653	85,117
Owner Households					
Total	146,515	159,792	165,433	171,274	174,271
Elderly	67,587	73,712	76,314	79,008	80,391
Small Family	41,095	44,819	46,401	48,040	48,880
Large Family	10,108	11,024	11,413	11,816	12,023
All Other Households	27,725	30,237	31,305	32,410	32,977
Total Households					
Total	365,527	398,650	412,725	427,296	434,774
Elderly	113,426	123,704	128,072	132,594	134,914
Small Family	120,802	131,749	136,400	141,216	143,687
Large Family	32,014	34,915	36,148	37,424	38,079
All Other Households	99,285	108,282	112,105	116,063	118,094

Extremely Low Income Household Characteristics, 2000

- Small families comprise 36% of renters in this income category.
- Elderly households comprise 46% of owner households.
- Large families make up the smallest group in this income category with 10% of renters and 7% of owners.
- Renters make up 60% of extremely low income households
- Owner households make up the majority with 40%.

Extremely Low Income Households Compared to All Income Categories, 2000

- Twenty-one percent (21%) of all elderly households have extremely low incomes.
- A large proportion of both renter (42%) and owner (16%) elderly households have extremely low incomes.
- Only 4% and 5% of all small and large families, respectively, are in the extremely low income owner household category.
- Twelve percent (12%) of all household types are classified as having extremely low incomes.
- Households earning 30% or less of the MFI make up 23% of all renter households.
- Only 7% of owner households are in the extremely low income category.

Table 2: PROJECTED Low-Income Household Types*31 - 50% of Median Family Income*

HOUSEHOLD TYPE	2000	2005	2007	2009	2010
Renter Households					
Total	157,037	171,267	177,314	183,574	186,787
Elderly	25,198	27,481	28,452	29,456	29,972
Small Family	65,594	71,538	74,064	76,679	78,020
Large Family	19,663	21,445	22,202	22,986	23,388
All Other Households	46,582	50,803	52,597	54,454	55,407
Owner Households					
Total	160,830	175,404	181,597	188,008	191,298
Elderly	69,896	76,230	78,921	81,708	83,137
Small Family	53,656	58,518	60,584	62,723	63,821
Large Family	15,934	17,378	17,991	18,627	18,953
All Other Households	21,344	23,278	24,100	24,951	25,388
Total Households					
Total	317,867	346,671	358,911	371,582	378,085
Elderly	95,094	103,711	107,373	111,164	113,109
Small Family	119,250	130,056	134,648	139,402	141,841
Large Family	35,597	38,823	40,193	41,612	42,341
All Other Households	67,926	74,081	76,697	79,405	80,794

Low-Income Household Characteristics, 2000

- Small families comprise 42% of renter households in the low-income category.
- Elderly households have the greatest ownership percentage of low-income households with a 43% share.
- Large families continue to be the smallest household type consisting of 13% of renters and 10% of owners.
- Renters make up 49% of low-income households.
- Owner households have the marginal majority with 51%.

Low-Income Households Compared to all Income Categories, 2000

- Elderly households have the largest share in the low-income category with 18% of all elderly households.
- Elderly households have comparable proportions of owner (16%) and renter households (23%) in the low-income category.

- Sixteen percent (16%) of all small family renters and 5% of all small family owners are considered low-income.
- Nineteen percent (19%) of all large family renters and 8% of all large family owners are considered low-income.
- Eleven percent (11%) of all household types in all income categories are classified as having low-incomes.
- Households earning between 31% and 50% of the MFI make up 16% of renter households.
- Only 8% of all owner households are in the low-income category.

Table 3: PROJECTED Moderate-Income Household Types
51 - 80% of Median Family Income

HOUSEHOLD TYPE	2000	2005	2007	2009	2010
Renter Households					
Total	215,761	235,313	243,621	252,222	256,636
Elderly	17,022	18,564	19,220	19,899	20,247
Small Family	93,318	101,774	105,367	109,088	110,997
Large Family	26,906	29,344	30,380	31,453	32,003
All Other Households	78,515	85,630	88,653	91,783	93,389
Owner Households					
Total	303,202	330,677	342,352	354,439	360,642
Elderly	85,867	93,648	96,954	100,377	102,134
Small Family	134,084	146,234	151,397	156,742	159,485
Large Family	36,320	39,611	41,010	42,458	43,201
All Other Households	46,931	51,184	52,991	54,862	55,822
Total Households					
Total	518,963	565,990	585,973	606,661	617,278
Elderly	102,889	112,212	116,174	120,276	122,381
Small Family	227,402	248,008	256,765	265,830	270,482
Large Family	63,226	68,955	71,390	73,910	75,204
All Other Households	125,446	136,813	141,644	146,645	149,211

Moderate-Income Household Characteristics, 2000

- Small families comprise 43% of renter households in the moderate-income category.
- Small families have the larger share of owner households in the moderate-income category with a 44% share.
- Large families have a 12% share of both renter and owner households in the moderate-income category.
- Renters make up 42% of moderate-income households.
- Fifty-eight percent (58%) of moderate-income households are homeowners.

Moderate-Income Households Compared to All Income Categories, 2000

- Large family households have the largest share of households (20%) in the moderate-income category.
- There are a higher proportion of elderly owners (20%) than elderly renters (16%) in the moderate-income category.
- Twenty-three percent (23%) of small family renters and 12% of small family owners are considered moderate-income.
- Twenty-six percent (26%) of large family renters and 17% of large family owners are considered moderate-income.
- Seventeen percent (17%) of all household types in all income categories are classified as having moderate-incomes.
- Households earning between 51% and 80% of the MFI make up 22% of all renter households.
- Fifteen percent (15%) of all owner households are in the moderate- income category.

Table 4: PROJECTED Middle- to Higher-Income Household Types*81% of Median Family Income and Over*

Household Type	2000	2005	2007	2009	2010
Renter Households					
Total	379,406	413,786	428,396	443,521	451,282
Elderly	21,022	22,927	23,736	24,574	25,005
Small Family	171,685	187,243	193,853	200,698	204,210
Large Family	35,387	38,594	39,956	41,367	42,091
All Other Households	151,312	165,023	170,850	176,882	179,977
Owner Households					
Total	1,413,119	1,541,171	1,595,584	1,651,918	1,680,827
Elderly	207,702	226,523	234,521	242,801	247,050
Small Family	877,950	957,507	991,313	1,026,312	1,044,273
Large Family	146,483	159,757	165,397	171,237	174,233
All Other Households	180,984	197,384	204,353	211,568	215,270
Total Households					
Total	1,792,525	1,954,957	2,023,980	2,095,439	2,132,109
Elderly	228,724	249,450	258,257	267,375	272,055
Small Family	1,049,635	1,144,749	1,185,166	1,227,010	1,248,483
Large Family	181,870	198,350	205,353	212,604	216,324
All Other Households	332,296	362,408	375,203	388,450	395,248

Middle- to Higher-Income Household Characteristics, 2000

- Small families comprise 45% of renter households in the middle- to higher-income category.
- Small families have the larger share of owner households in the middle- to higher-income category with 62%.
- Elderly households account for 6% of renter and 15% of owner households in the middle- to higher-income category.
- Large families have a 9% share of renter and a 10% share of owner households.
- Renters make up 21% of middle- to higher-income households.
- Seventy-nine percent (79%) of middle- to higher-income households are homeowners.

Middle- to Higher-Income Households Compared to all Income Categories, 2000

- Small families have the largest share in the middle- to higher-income category with 69%.

- A higher proportion of elderly owners exists (48%) than elderly renters (19%) in the middle- to higher-income category.
- Forty-two percent (42%) of all small family renters and 79% of all small family owners are considered middle- to higher-income.
- Thirty four percent (34%) of all large family renters and 70% of all large family owners are considered middle- to higher-income.
- Sixty-percent (60%) of all household types in all income categories are classified as having middle- to higher-incomes.
- Households earning 81% or more of the MFI make up 39% of renter households.
- Seventy percent (70%) of all owner households are in the middle- to higher-income category.

Table 5: PROJECTED All Household Types

All Income Levels

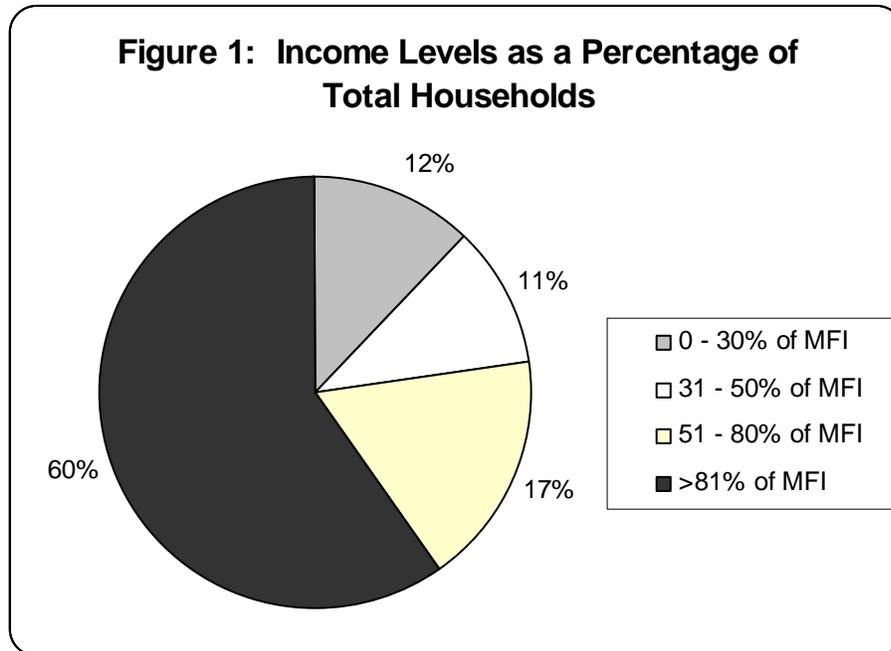
Household Type	2000	2005	2007	2009	2010
Renter Households					
Total	971,216	1,059,224	1,096,621	1,135,339	1,155,208
Elderly	109,081	118,966	123,166	127,514	129,746
Small Family	410,304	447,484	463,283	479,640	488,034
Large Family	103,862	113,274	117,273	121,413	123,538
All Other Households	347,969	379,501	392,900	406,771	413,890
Owner Households					
Total	2,023,666	2,207,044	2,284,966	2,365,640	2,407,038
Elderly	431,052	470,112	486,710	503,894	512,712
Small Family	1,106,785	1,207,078	1,249,695	1,293,818	1,316,459
Large Family	208,845	227,770	235,812	244,137	248,410
All Other Households	276,984	302,083	312,749	323,791	329,457
Total Households					
Total	2,994,882	3,266,268	3,381,588	3,500,979	3,562,246
Elderly	540,133	589,078	609,876	631,409	642,458
Small Family	1,517,089	1,654,562	1,712,979	1,773,458	1,804,493
Large Family	312,707	341,043	353,084	365,550	371,948
All Other Households	624,953	681,584	705,648	730,562	743,347

Characteristics of All Households, 2000

- Small families comprise 42% of renter households in all income categories.
- Small families have the larger share of owner households in all income categories with 55%.
- Elderly households account for 11% of renter and 21% of owner households in all income categories.
- Large families have an 11% share of renter and a 10% share of owner households.
- Renters make up 32% of all income households.
- Sixty-eight percent (68%) of households in all income categories are homeowners.

Comparison of All Income Categories, 2000

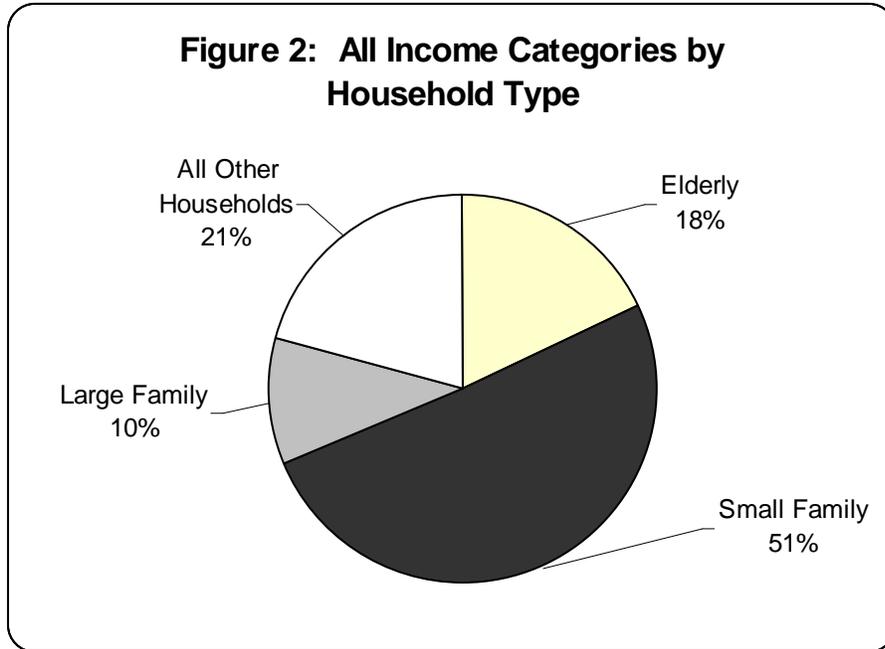
- The largest share of all household types is classified as earning a middle- to higher-income of 81% or more of the median family income (see Figure 1).
- Twelve percent (12%) of all households earn 30% or less of the MFI.
- Low-income households (31% to 50% of MFI) make up 11% of all households.
- Moderate-income households (51% to 80% of MFI) make up 17% of all households.



Source: HUD, *CHAS Data Book* (issued 2003)

Comparison of All Income Categories, 2000 (continued)

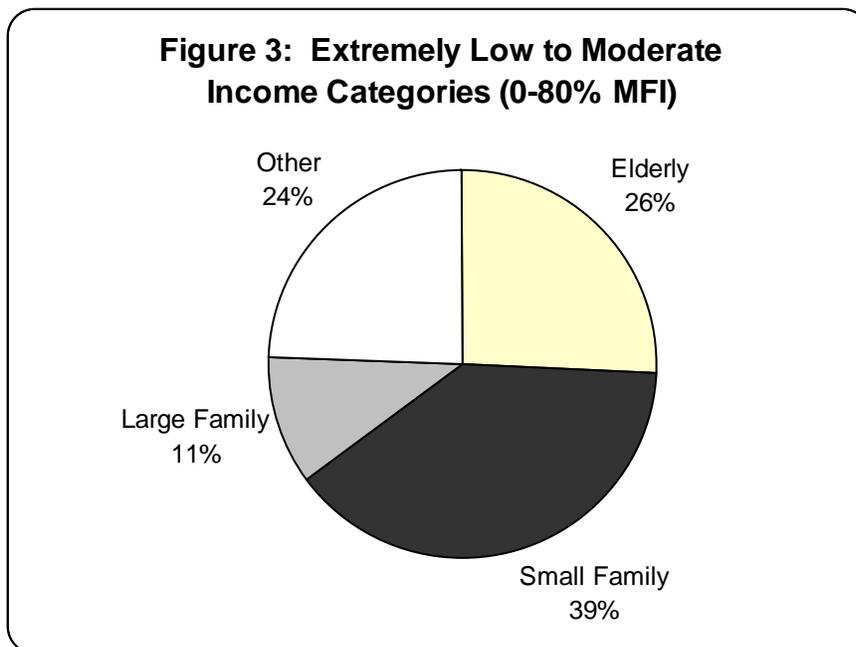
- Small families have the largest share of households in all income categories with 51% of households (see Figure 2).
- Elderly households make up 18% of all households.
- Large families account for 10% of all households.
- Twenty-one percent (21%) of all households are classified as “Other.” This includes, among others, single-person households under age 62 and unrelated individuals living together.



Source: HUD, *CHAS Data Book* (issued 2003)

Affordable Housing Needs Focus

Income categories from 0 to 80% of MFI are considered as the focus of the Consolidated Plan related to need (see Figure 3).



Source: HUD, *CHAS Data Book* (issued 2003)

B. CATEGORIES OF PERSONS AFFECTED

This section examines income, tenure, housing conditions, and household types in an effort to identify Georgia's housing needs. This analysis only considers certain household types as required by the consolidated planning guidelines, such as the elderly, small families, large families, single persons, etc. Excluded categories include, among others, unrelated individuals living together. The housing need of this diverse household type is difficult to pinpoint for lack of available information.

The following analysis, based upon 2000 CHAS data, examines the housing condition affecting each income category and each household type. The consolidated planning guidelines require a discussion of the cost burden, severe cost burden, overcrowding, and substandard housing conditions for each income category and household group. For the purposes of this discussion, a substandard unit is defined as one where at least one of the following conditions exists.

- The unit lacks a complete kitchen (needing either an installed sink with piped water; a range, cook stove, or cook top and microwave or convection oven; or a refrigerator).
- The unit lacks complete plumbing (needing hot and cold piped water, a flush toilet, and a bathtub or shower).
- The unit is overcrowded (with more than 1.01 persons per room).
- The household is cost burdened (it pays more than 30% of its income for shelter).

A unit is considered to be in standard condition when none of the above conditions exist. In addition, a unit is considered to be in substandard condition, but suitable for rehabilitation, when the unit does not meet the current local or state building codes, yet the cost to rehabilitate the unit does not exceed 75% of the after rehabilitation appraised value.

These indicators of a substandard unit, however, do not encompass the majority of housing problems. For instance, this data does not capture conditions such as a leaking roof, a sagging porch, a deteriorated foundation, a leaning exterior wall, or unsafe wiring. The U.S. Census Bureau stopped gathering more detailed housing quality data after 1970. As a result, analysts often use the age of the housing stock as a proxy for overall housing quality. Approximately 10% of all housing units in Georgia were constructed prior to 1950. This proxy, however, again does not necessarily address the true physical condition of Georgia's housing units.

In order to obtain a broader picture of Georgia's housing conditions, information on the housing problems is presented for all income levels. However, middle- and higher-income households generally either have the financial resources or access to conventional funding to resolve their housing problems. Therefore, the development of public-sector housing programs to address housing needs for these categories does not meet the scope of the Consolidated Plan's effort to address the State's affordable housing needs.

The analysis that follows briefly examines the status of households in Georgia and evaluates the circumstances of each household category and income group. Data for this analysis is contained in the preceding five tables and their related figures. Concluding this section is a study of the racial or ethnic groups who have a disproportionately greater need than found within any of the income or household categories examined.

(1) All Households

Household Categories

As seen in Figure 2 above, small family households are the largest single household group examined, constituting nearly 51% of all households. This proportion is expected to rise as household size continues to decrease. The next largest group (besides all other households at 21%) consists of elderly households with 18% of the estimated households in Georgia. This percentage is also expected to rise as baby boomers reach retirement age. The smallest of the groups considered is large family households with 10% of Georgia households. Detailed explanation of the composition of each household type is included later in this section.

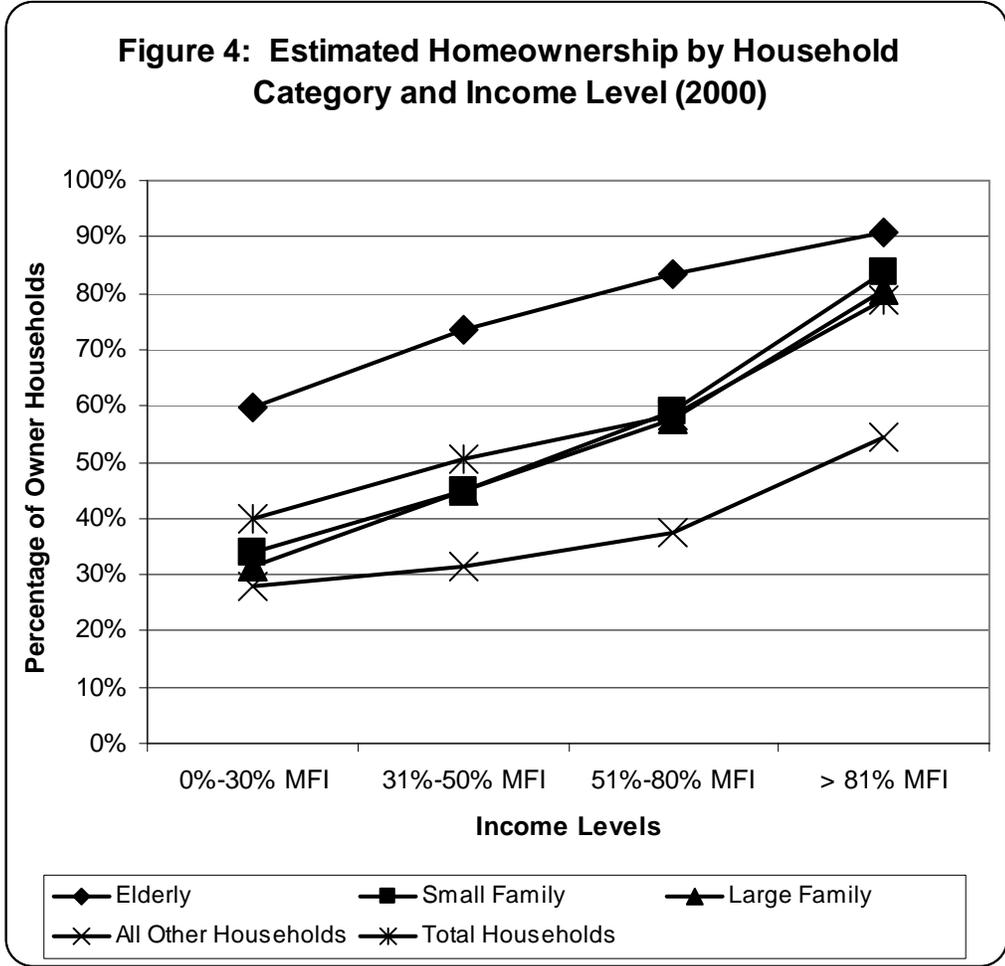
Income Groups

As seen in Figure 3 above, approximately 40% of all Georgia households have an income ranging between 0% and 80% of the median family income. Of these low- or moderate-income households, 26% are elderly, 39% are small families, and 11% are large families. However, when all households are compared, regardless of income, only 18% are elderly, 51% are small families, and 10% are large families. These two sets of figures give indication that elderly households are over represented within moderate-income levels and lower, and small families underrepresented. Large families appear to be relatively consistent with their percentage of total households.

Tenure

Due in part to record low-interest rates, homeownership rates have grown fairly significantly since the late 1990s. According to the U.S. Census Bureau, the homeownership rate in 2003 for Georgia was estimated to be approximately 71.4%. While homeownership may increase in future years, the growth rate is not expected to be as dramatic as in recent history since interest rates have begun to rise. However, mortgage rates are still comparatively lower than those found over the last 30 years.

Figure 4 indicates that homeownership in Georgia increases as household income increases. The percentages shown represent the proportion of that household type within the income category and household type and reflect homeownership rates estimated for 2000.



Source: HUD, CHAS Data Book (issued 2003)

As income levels exceed 80% of median family income, the percentage of homeowners is greater than the average homeownership rate for Georgia (71.4% in 2003). This fact indicates that the "other" households, including one person and non-related individuals living together, with middle - to high-incomes, continue to rent rather than purchase a home.

Across all income categories, elderly households have the highest proportion of homeownership related to other households in each income category. Small families, while being relatively consistent when related to total households, have the largest net increase between income categories ranging from 45% to 84%. Large families are in the middle, possessing a homeownership rate ranging from 45% to 81% across income categories.

Housing Problems

Regardless of tenure or income, approximately 29% of Georgia households have been estimated as having housing concerns. The most common problem affecting all households is cost burdened. Twenty-three percent (23%) of Georgia households pay 30% or more of their income for housing. At least 9% of all Georgia households are severely cost burdened and devote at least 50% of their income for housing.

Renter households are more severely cost burdened at the extremely low income levels than homeowners. In contrast, homeowners in the three higher income categories are more cost burdened than renters.

According to a report issued in 2003 by the University of Georgia’s Housing and Demographics Research Center, overcrowded housing units made up 4.8% of all occupied housing units in Georgia in 2000.¹ Asians (17.6%) and persons of other races (35.8%) were more likely than Blacks (8.3%) and Whites (2.3%) to live in overcrowded units. Hispanics were more likely to live in overcrowded housing units than all races. At any income level, Georgia’s renter households are more likely to live in overcrowded units than owner households (9.8% compared to 2.4% of owner households).

On the other hand, less than 1% of housing in Georgia lacked a complete kitchen and complete plumbing (0.5% and 0.6%, respectively).² Overall, 41% of renters, compared to 23% of homeowners, have at least one housing problem.

Table 6 depicts Georgia’s housing needs by tenure in 2000. Please note: these figures do not include any households with incomes greater than 80% of the regional household income. Individual housing needs include both single incidence and multiple incidence situations. Total needs eliminate double counting.

Table 6: Housing Needs by Tenure in Georgia, 2000

Housing Needs	Tenure			
	Owner		Renter	
	Number	Percent	Number	Percent
Cost Burdened	359,770	95.7%	341,484	87.4%
Severely Cost Burdened	160,328	42.7%	157,890	40.3%
Overcrowded	22,459	6.0%	70,827	18.1%
Lacking Facilities	10,938	2.8%	15,509	4.0%
Multiple Needs	47,812	12.7%	68,439	17.5%
Total Needs	375,889	100.0%	390,836	100.0%

Source: Data compiled by Larry Keating in *A Preliminary Analysis of Housing Needs and of the Socioeconomic Characteristics of Households with Housing Needs in Georgia*, March 2004.

Based on this data, it appears that there are at least 766,725 low- to moderate- income households (375,889 owners and 390,836 renters) with housing needs in Georgia. The most common form of housing problem is cost burden, followed by overcrowding and lacking facilities.

¹ Karen Tinsley and Brenda Cude, *State of the State’s Housing: Service Delivery Regions – Overview* (Athens, GA: University of Georgia Housing and Demographics Research Center, July 2003) 44. Available online: http://www.dca.state.ga.us/publications/SRHR_GeorgiaOverview.pdf

² Karen Tinsley and Brenda Cude 45.

(2) Georgia's Extremely Low Income

Extremely low income households earn an income within 0 to 30% of the median family income. In Georgia, 12% of all households are considered extremely low income. Only 40% of these households own their homes, and account for only 7% of owner households across all income categories.

This income group is also the most affected by housing problems. Almost three out of every four extremely low income households have at least one housing problem. Cost burden is the most common issue, affecting approximately 61% of these households. Almost 47% are severely cost burdened.

Other housing problems, such as overcrowding and incomplete kitchen or plumbing facilities, are also common in this income group. Almost 10% of all households and almost 13% of all renters with extremely low incomes experience these conditions. Please note: data that separates overcrowding and substandard housing into distinct categories for this income category was not available at the time of this writing.

(3) Georgia's Low-Income

Low-income households earn an income within 31% to 50% of the median family income. Approximately 11% of Georgia's households fall into this category with an ownership rate of 51%. However, homeowners in this category account for only 8% of all homeowners.

Substandard housing is common for both renters and homeowners with low incomes. Almost 70% of renters and almost 55% of homeowners experience at least one housing problem. Cost burden is the largest of the identified problems. At least 53% of all low-income households are cost burdened. This problem is most apparent in the renter population where almost 57% of the households are cost burdened. Over 22% of all low-income households are severely cost burdened.

Other housing problems, such as overcrowding and incomplete kitchen or plumbing facilities, affects approximately 9% of all households and at least 13% of all renters with low incomes. Please note: data that separates overcrowding and substandard housing into distinct categories for this income category was not available at the time of this writing.

(4) Georgia's Moderate-Income

Moderate-income households earn an income within 51% to 80% of median family income. In Georgia, 17% of all households are included in this category. Homeownership in this income category increases slightly to 58% and accounts for 15% of all owner households in the state. Only 42% of moderate-income households rent their housing.

Renters in this income category are again more likely to have housing problems than owners. Cost burden continues to be the most recurrent problem, affecting approximately 33% of all households. However, severe cost burden affects a larger portion of homeowners as opposed to renters.

Other housing problems, such as overcrowding and incomplete kitchen or plumbing facilities, affects approximately 8% of all households and approximately 12% of all renters with

moderate incomes. Please note: data that separates overcrowding and substandard housing into distinct categories for this income category was not available at the time of this writing.

(5) Georgia's Middle- and Higher-Income

Middle- and higher-income households earn an income of 81% or more of median family income. Approximately 60% of all households are classified as having middle and higher incomes. Within this income category, the vast majority of Georgia households, 79%, are homeowners. As compared to all income categories, they account for 30% of all homeowners and 39% of all renters statewide.

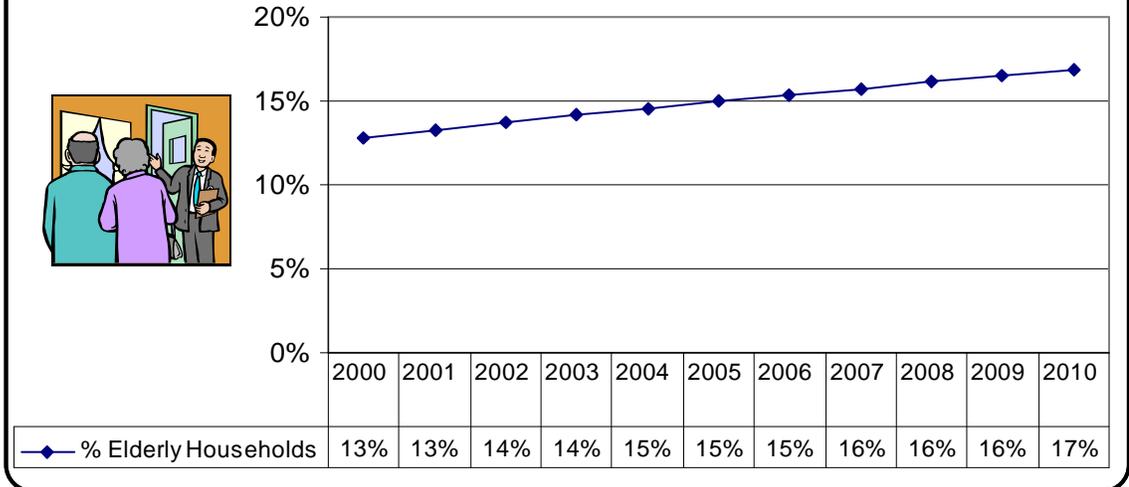
Housing problems affect only 11% of this income group's households. Cost burden is the most common problem, affecting on average 138,024 or almost 8% of all middle- and higher-income households. Homeowners are again most affected by this problem. Since most housing construction targets this income group and most units are physically in standard condition, the continuing cost burden problem is most likely a result of lifestyle and living choices rather than necessity.

Other housing problems, such as overcrowding and incomplete kitchen or plumbing facilities, affects approximately 3% of all households and approximately 8% of all renters with middle to high incomes. Please note: data that separates overcrowding and substandard housing into distinct categories for this income category was not available at the time of this writing.

(6) Elderly Households

Although there is much concern regarding the aging of the "baby boomer" generation and the impact this will have on social issues such as housing, Census 2000 indicates that Georgia has the third smallest percentage of this population over 65 of any state in the nation. In fact, the population aged 65 and older actually decreased from 10.1% in 1990 to 9.5% in 2000. However, the median age of the state population has increased since 1990 to 33.4 years, almost two years older than the 1990 number of 31.5 years. Furthermore, data obtained from the Georgia Office of Planning and Budget estimates that the proportion of Georgia's elderly household population (aged 60 and older) to Georgia's total household population is projected to rise approximately 4% from 2000 to 2010.

Figure 5: The Elderly Household Population as a Percentage of Georgia's Total Household Population



Source: Georgia Office of Planning and Budget, September 2002

The U.S. Department of Housing and Urban Development defines an elderly household as a one or two person household in which the householder or spouse is at least 62 years of age. According to 2000 CHAS data, Georgia's elderly households are estimated to constitute 18% of the total households for the state (see Figure 2 above). Elderly households as a group generally have lower incomes when compared to all other household types with just over 58% of all elderly households falling below 80% of median family income (see Table 7).

Table 7: Elderly Households by Income, 2000

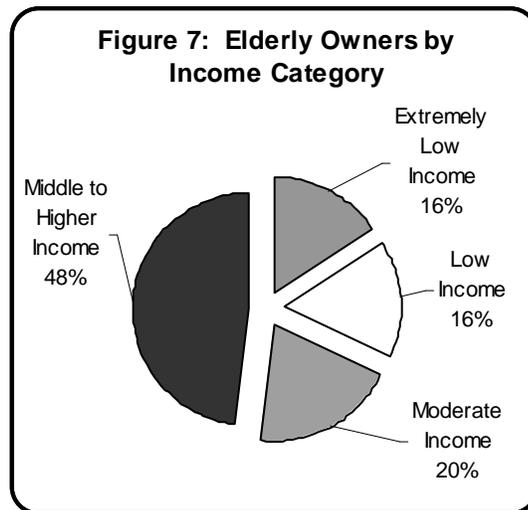
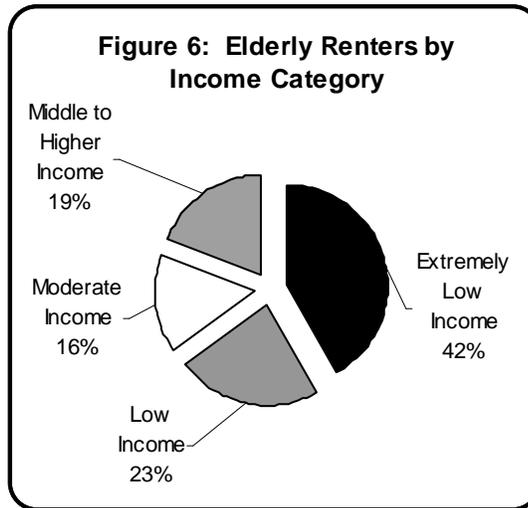
Income Category	Number of Elderly Households	% of Elderly Households Within Income Category	% of All Elderly Households
Extremely Low Income (0% - 30% MFI)	113,426	31%	21%
Low Income (31%-50% MFI)	95,094	30%	18%
Moderate Income (51% - 80% MFI)	102,889	20%	19%
Middle to Higher Income (>81% MFI)	228,724	13%	42%
TOTAL	540,133	--	100%

Source: HUD, CHAS Data Book (issued 2003)

Tenure

Although a much larger percentage of elderly households are homeowners, more than half of elderly homeowners have incomes of 80% or less of the median income. According to 2000 estimates, 80% of elderly households own their home, although 52% of these homeowners have moderate incomes or lower. Despite the lower incomes, elderly households have a higher homeownership percentage across all income levels, including the average rate for all households for the State of Georgia.

The following two figures demonstrate the disparity between elderly renters and owners. Forty-two percent (42%) of all elderly renter households are in the extremely low income category, while owner households are primarily concentrated in the middle- to higher-income categories. For this plan, the most significant figures indicate that 32% of elderly homeowners are in the lowest two income groups and may be in danger of losing their investments and independence due to the inability to keep their homes safe and accessible.



Source: HUD, *CHAS Data Book* (issued 2003)

Metropolitan Area Variations

According to 2000 CHAS data, an estimated 28% of all elderly households live in non-metropolitan areas in Georgia. Out of that percentage, the majority are homeowners (82%). Elderly homeowners also make up the majority of elderly households in Georgia’s metro areas (79%), as well. However, more elderly households in non-metro areas have housing problems than elderly households in metro areas (24% to 16%, respectively).

Housing Problems

Georgia's elderly households experience a very high number of housing problems. The majority of elderly households with housing problems, such as cost burden, overcrowding, and substandard housing, are also low-income. Generally, housing problems decrease as household income increases. Moreover, as shown in Table 8, tenure is a significant factor in the existence of housing problems. Elderly renters are more likely to live in substandard housing than elderly owners, except for elderly owners with extremely low incomes. In addition, approximately 55% of all elderly low-income renters (with incomes less than 50% of MFI) and 49% of all elderly low-income owners have housing problems. In comparison, 71% of all low-income household renters and 61% of all low-income household owners have housing problems.

Table 8: Housing Problems by Tenure and Income Level for Elderly Households, 2000

Income Category	Elderly Renters		Elderly Owners	
	Number	Percent	Number	Percent
Extremely Low Income (0% - 30% MFI)	26,678	58%	42,850	63%
Low Income (31%-50% MFI)	12,574	50%	24,743	35%
Moderate Income (51% - 80% MFI)	6,094	36%	19,664	23%
Middle to Higher Income (>81% MFI)	2,712	13%	15,370	7%
TOTAL	48,058	44%	102,627	24%

Source: HUD, *CHAS Data Book* (issued 2003)

Cost burden is the most common housing problem experienced by elderly households. Based on 2000 Census data, one of every four elderly households in Georgia is cost burdened, paying more than 30% of their income for shelter. In 1999, HUD reported that, nationwide, nearly a third of the older population is paying more than they can afford for housing.³ This fact contradicts commonly held assumptions that most elderly households have paid off their mortgages before reaching retirement age.

Furthermore, 49% of all cost burdened elderly households are estimated to be severely cost burdened, paying at least 50% of their income for shelter. Estimated numbers of affected households are listed in Table 9. The housing problem type "Any Housing Problems" includes cost burden greater than 30% of income and/or overcrowding and/or units without complete kitchen or plumbing facilities. At the time of this writing, data that separates overcrowding and substandard housing into distinct categories was not available.

³ U.S. Department of Housing and Urban Development, *Housing Our Elders* (Washington, DC: Author, Nov. 1999) ii.
Available online: <http://www.hud.gov/library/bookshelf18/pressrel/elderlyfull.pdf>

Table 9: Type of Housing Problems for Elderly Households, 2000

Housing Problem Type	Number	Percent
Cost Burdened >30%	144,391	27%
Severely Cost Burdened >50% only	70,054	13%
Any Housing Problems	150,586	28%

Source: HUD, *CHAS Data Book* (issued 2003)

Housing problems for elderly households differ by tenure and income level. Cost burden affects 55% of the extremely low income, 47% of the low-income, 32% of the moderate-income, and 9% of the middle- to high-income renters. However, severe cost burden is only significant to the extremely low and low-income renters, where 36% and 18% are affected respectively.

Units with one or more housing problems have been common for elderly renters across all low-, moderate-, and middle-income groups and affect approximately 58% of extremely low income, 50% of low-income, 36% of moderate-income, and 13% of middle- to high-income households.

As with elderly renters, the extent of housing problems for elderly homeowners varies across income levels. Cost burden is again the most common problem, affecting 62% of extremely low income, 35% of low-income, 23% of moderate-income, and 7% of middle- to high-income elderly homeowners. Severe cost burden significantly affects only the extremely low (39%) and low- (17%) income homeowners.

Units with one or more housing problems are spread across all low-, moderate-, and middle- to high-income levels, affecting 63% of extremely low, 35% of low-, 23% of moderate-, and 7% of middle- to high-income homeowners.

(7) Small Family Households

It is generally accepted that Americans have continued to have fewer children per family, especially within the metropolitan areas. HUD defines a small family as a household with two to four members with at least one member related to the householder by birth, marriage, or adoption. Small families constitute the majority of Georgia households with a 51% share. They also have the dominate share (39%) of households with incomes less than 80% of the median family income.

Small family households are generally wealthier per household than any other household type. They account for 69% of all household types within the middle- to higher-income category. This share is higher than the percent of all household types classified as higher income – 60%.

The small family household is the dominant Georgia household type in all income categories. Table 10 illustrates the number of small family households in Georgia.

Table 10: Small Family Households by Income, 2000

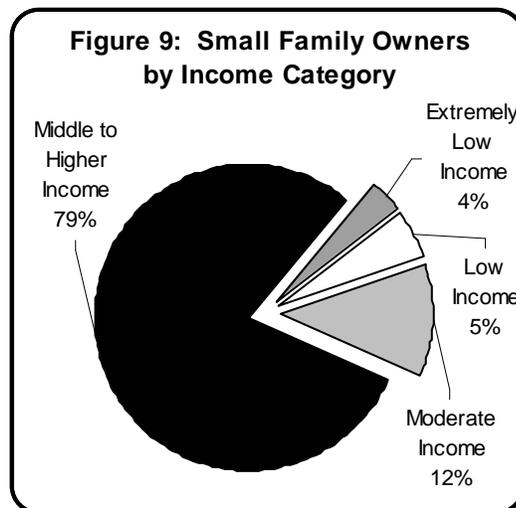
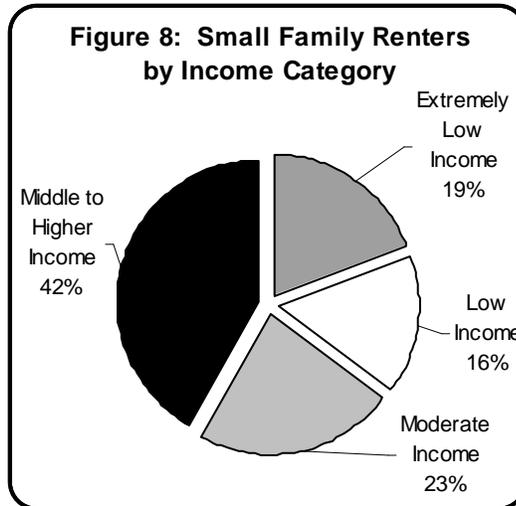
Income Category	Number of Small Family Households	% of Small Family Households Within Income Category	% of All Small Family Households
Extremely Low Income (0% - 30% MFI)	120,802	33%	8%
Low Income (31%-50% MFI)	119,250	38%	8%
Moderate Income (51% - 80% MFI)	227,402	44%	15%
Middle to Higher Income (>81% MFI)	1,049,635	59%	69%
TOTAL	1,517,089	--	100%

Source: HUD, *CHAS Data Book* (issued 2003)

Tenure

The majority of Georgia’s small family households (73%) are homeowners. This homeownership rate is larger than the state as a whole. Furthermore, the homeownership rate for small families increases as income increases. However, in the extremely low and low-income categories, small family households are less likely to be homeowners. This disproportion may be attributed to the fact that single-parent families are considered in the small family household type and are typically among the lowest in income. Thus, when single-parent and dual-income couple households are in the same category, a large imbalance occurs within the small family household type and significant housing affordability problems will persist at the lowest income levels.

The following two figures demonstrate the differences between small family renters and owners. Nineteen percent (19%) of all small family renter households are in the extremely low income category, while owner households are primarily concentrated in the middle- to higher-income categories. It is apparent that as income increases, small family households have less of a percentage of renters.



Source: HUD, CHAS Data Book (issued 2003)

Metropolitan Area Variations

According to 2000 CHAS data, an estimated 20% of all small family households live in non-metropolitan areas in Georgia. Out of that percentage, the majority are homeowners (75%). Small family homeowners also make up the majority of small family households in Georgia's metro areas (72%), as well. The distribution of housing problems, however, appears to be fairly even between metro (42%) and non-metro (41%) areas, varying by only 1%.

Housing Problems

Generally, housing problems decrease for both renters and homeowners as income levels increase (see Table 11). Consequently, housing problems are more common for both renters and owners in the extremely low and low-income categories. Within the lowest category, renters experience slightly more difficulties. However, above moderate-income levels, small family homeowners encounter a larger portion of housing problems. The need for assistance may be indicated by increased access to affordable housing, or by providing assistance for maintenance or upgrades.

Table 11: Housing Problems by Tenure and Income Level for Small Families, 2000

Income Category	Small Family Renters		Small Family Owners	
	Number	Percent	Number	Percent
Extremely Low Income (0% - 30% MFI)	60,976	77%	30,534	74%
Low Income (31%-50% MFI)	44,801	68%	36,701	68%
Moderate Income (51% - 80% MFI)	30,235	32%	63,422	47%
Middle to Higher Income (>81% MFI)	14,078	8%	82,527	9%
TOTAL	150,090	37%	213,183	19%

Source: HUD, *CHAS Data Book* (issued 2003)

Cost burden, as with elderly households, is the most prevalent housing problem for small family households affecting almost one in four households. Within all cost burdened small family households, over 38% of small family households pay 50% or more of their income on housing.

As in other household categories, the extent of housing problems differs by tenure and income level for small families. Cost burden affects a high percentage of both owners and renters at the extremely low, low-, and moderate- income levels. Over 67% of owners and 60% of renters with incomes between 0 and 50% of median family income are cost burdened. These figures decrease to 44% and 23%, respectively, for small families with incomes between 50 to 80% of median family income.

Estimated numbers of affected households are listed in Table 12. The housing problem type “Any Housing Problems” includes cost burden greater than 30% of income and/or overcrowding and/or units without complete kitchen or plumbing facilities. Approximately 4% of small family households experience overcrowding and/or substandard housing conditions. At the time of this writing, data that separates overcrowding and substandard housing into distinct categories was not available.

Table 12: Type of Housing Problems for Small Family Households, 2000

Housing Problem Type	Number	Percent
Cost Burdened >30%	307,486	20%
Severely Cost Burdened >50% only	116,793	8%
Any Housing Problems	362,674	24%

Source: HUD, *CHAS Data Book* (issued 2003)

(8) Large Family Households

The established trend for household size has indicated that Americans have continued to have fewer children per family, especially within the metropolitan areas. The U.S. Department of Housing and Urban Development defines a large family as a household consisting of five or more members with at least one person related to the householder by birth, marriage, or adoption. Of the household types considered, large family households constitute the smallest share of total households in Georgia with a relative share of 10%.

The portion increases slightly to 11% when only households with 80% median family income or less are considered.

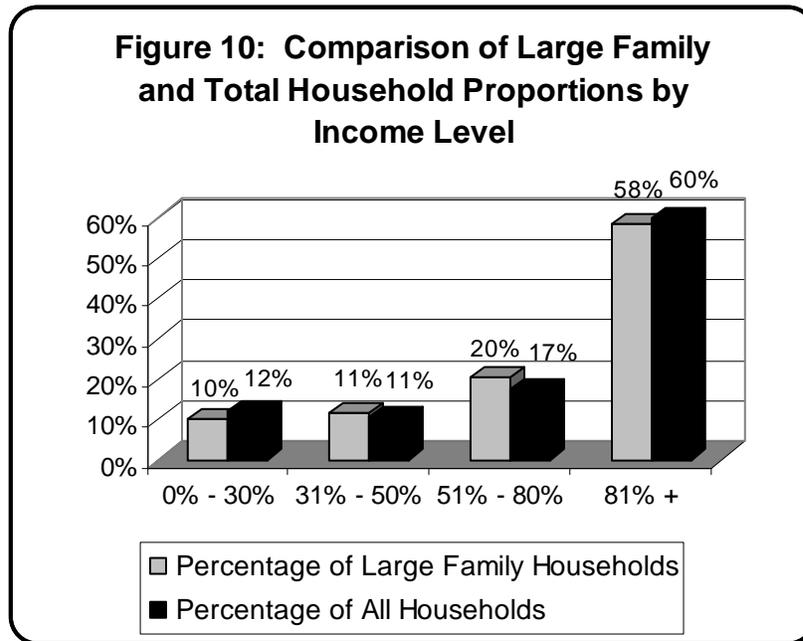
As seen in Table 13, the percentage of large family households within a given income category is relatively consistent between income categories with only a 3% range of relative share.

Table 13: Large Family Households by Income, 2000

Income Category	Number of Large Family Households	% of Large Family Households Within Income Category	% of All Large Family Households
Extremely Low Income (0% - 30% MFI)	32,014	9%	10%
Low Income (31%-50% MFI)	35,597	11%	11%
Moderate Income (51% - 80% MFI)	63,226	12%	20%
Middle to Higher Income (>81% MFI)	181,870	10%	58%
TOTAL	312,707		

Source: HUD, *CHAS Data Book* (issued 2003)

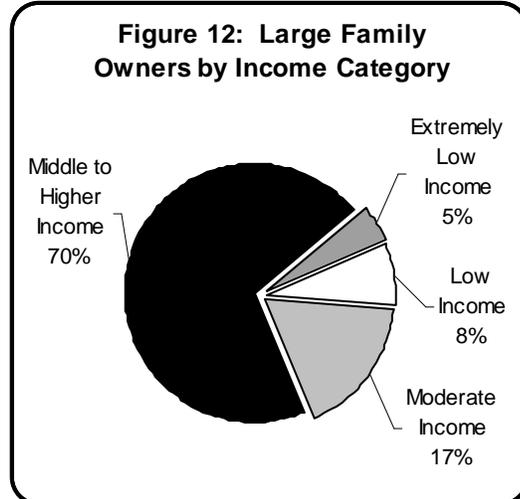
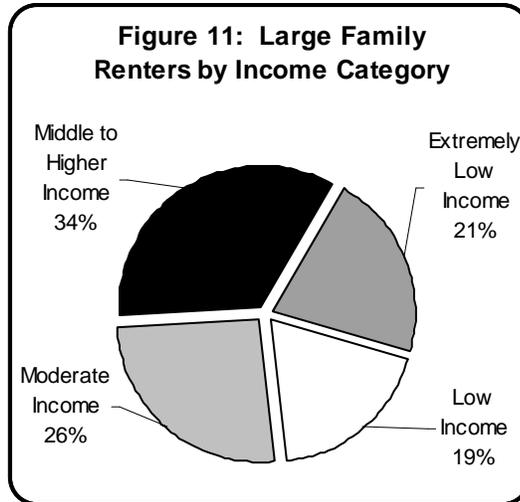
Additionally, the wealth distribution of the large family household is fairly representative of that of all household types in Georgia. Figure 10 demonstrates that the relative share of large family households remains within 3% of total households, making the large family household a comparative indicator of household wealth in Georgia.



Source: HUD, *CHAS Data Book* (issued 2003)

Tenure

The proportion of large family homeowners is comparable to all households with 67% of large family households owning their homes. The following two figures demonstrate the differences between large family renters and owners. Twenty-one percent (21%) of all large family renter households are in the extremely low income category, while owner households are primarily concentrated in the middle- to higher-income categories. Income appears to be a barrier to homeownership for large families in the lower income categories.



Source: HUD, *CHAS Data Book* (issued 2003)

Metropolitan Area Variations

According to 2000 CHAS data, an estimated 19% of all small family households live in non-metropolitan areas in Georgia. Out of that percentage, the majority are homeowners (69%). Small family homeowners also make up the majority of small family households in Georgia's metro areas (66%), as well. The distribution of housing problems, however, appears to be even between metro and non-metro areas at 16%.

Housing Problems

Housing problems are significant for both large family owners and renters (see Table 14). Of all large families at or below moderate income, 74% of the renters and 66% of the owners experience at least one housing problem. These figures contrast significantly with the 60% and 52% found respectively for all of Georgia's low- and moderate-income households.

Table 14: Housing Problems by Tenure and Income Level for Large Family Households, 2000

Income Category	Large Family Renters		Large Family Owners	
	Number	Percent	Number	Percent
Extremely Low Income (0% - 30% MFI)	19,474	89%	8,764	87%
Low Income (31%-50% MFI)	15,553	79%	12,556	79%
Moderate Income (51% - 80% MFI)	15,794	59%	19,613	54%
Middle to Higher Income (>81% MFI)	16,066	45%	28,564	20%
TOTAL	66,887	64%	69,497	33%

Source: HUD, *CHAS Data Book* (issued 2003)

Seventy percent (70%) of all large families at or below moderate income level have some housing problem. Out of all the household types examined in this plan, large family households are the most affected by housing problems within all income categories.

As is found throughout all household categories in Georgia, the extent of housing problems for large families differs by tenure and income level. Cost burden is most severely a problem at the extremely low income level where 31% of renters and 51% of owners are cost burdened. Interestingly, owners are more affected by cost burden as incomes increase. Forty-five percent (45%) of the low-income, 28% of the moderate-income, and 7% of the middle- to high-income large family homeowners are cost burdened. These statistics contrast with the 24%, 7%, and 1% found respectively for large family renters. This comparison suggests that these homeowners may have overstretched their income to purchase larger units that accommodate their family size. These trends suggest that a lack of affordable, large housing units in Georgia exists to accommodate these large families.

Estimated numbers of affected households are listed in Table 15. The housing problem type "Any Housing Problems" includes cost burden greater than 30% of income and/or overcrowding and/or units without complete kitchen or plumbing facilities. Approximately 29% of large family households experience overcrowding and/or substandard housing conditions. At the time of this writing, data that separates overcrowding and substandard housing into distinct categories was not available. This data does suggest, however, the extent of overcrowding and/or substandard housing conditions across all income levels for large family households. This, in turn, also indicates a short supply of affordable units of sufficient size to accommodate large families.

Table 15: Type of Housing Problems for Large Family Households, 2000

Housing Problem Type	Number	Percent
Cost Burdened >30%	46,315	15%
Severely Cost Burdened >50% only	16,831	5%
Any Housing Problems	136,433	44%

Source: HUD, *CHAS Data Book* (issued 2003)

(9) Single-Person Households

As stated in Section III.A, the estimates and projections used in this section of the plan were derived from data provided by the U.S. Census Bureau and the U.S. Department and Housing and Urban Development (namely the CHAS Data Book). Unfortunately, this data did not provide specific information for single-person households (except for elderly households which may include one or two members, as already discussed previously). Thus, given the available data for this household type, the following discussion will not include detailed information about income categories, tenure, and housing problems.

Nationally, the proportion of single-person households increased from 17% in 1970 to 26% in 2000.⁴ In Census 2000, almost 23% of Georgia’s total households consisted of householders living alone, closely matching the national percentage. Eight percent (8%) of Georgia’s total households were elderly householders over the age of 65 living alone. Nineteen percent (19%) of one-person households owned their housing units, whereas almost 33% rented. Females were more likely to live alone than males (13% to 10%, respectively), closely matching the national distributions of 15% and 11%, respectively.

Georgia’s twelve service delivery regions, created by the General Assembly in 1998, include these single-person households. Each region outside the metropolitan Atlanta area has dedicated field staff from the Department of Community Affairs (DCA) and the Department of Industry, Trade, and Tourism (DITT) to bring state resources closer to the people and to foster regional collaboration in community and economic development. In 2000, Regions 8 and 9 had the greatest percentages of single-person households (25%) while Region 2 had the lowest (20%).⁵ For a map of Georgia’s Service Delivery Regions, please see Appendix I.

Considering that Georgia’s single-person household percentage closely mirrors the national percentage, the growth of Georgia’s single-person households could grow at least equal to the national figure. According to an issue paper commissioned by HUD and published in 2003, single-person households nationally will grow 35% from 2000 to 2025.⁶

⁴ Jason Fields and Lynne M. Casper, “America’s Families and Living Arrangements: March 2000,” *Current Population Reports* P20-537 (Washington, DC: U.S. Census Bureau, June 2001) 3. Available online: <http://www.census.gov/prod/2001pubs/p20-537.pdf>

⁵ Karen Tinsley and Brenda Cude 13.

⁶ Martha Farnsworth Riche, “How Changes in the Nation’s Age and Household Structure Will Reshape Housing Demand in the 21st Century,” *Issue Papers on Demographic Trends Important to Housing* (Washington, DC: HUD, Feb. 2003) 132. Available online: http://www.huduser.org/publications/econdev/demographic_trends.html

Consequently, Georgia’s single person households could grow from 537,702 households to 725,898 households by 2025.

(10) Households with Persons with Disabilities

According to 2000 Census data, Georgia has a slightly higher percentage of persons with disabilities for the population 5 years and older (19.7%) than the national average of 19.3%. According to a report commissioned by the Georgia Governor’s Council on Developmental Disabilities, the number of individuals with developmental disabilities in Georgia is expected to change at a slower rate than that of other groups.⁷ On the other hand, the overall disability rate is expected to increase nationwide, thus potentially increasing Georgia’s number of persons with disabilities. A study published by the RAND Corporation in 2004 found that the number of people ages 30–49 who were disabled (i.e. unable to care for themselves or perform other routine tasks) increased by more than 50% from 1984 to 2000.⁸ However, the study found that disability declined by more than 10% for those ages 60–69.

As seen in Table 16, the percentage of non-elderly households (where any household member has a mobility and/or self care limitation) within a given income category varies widely. For instance, 50% of all non-elderly households with limitations have middle- to higher-incomes. However, when compared to all Georgia households with middle- to higher-incomes, non-elderly households with limitations only comprise 9% of these households. In contrast, only 18% of non-elderly households with limitations have extremely low-incomes. However, those households, when compared to all Georgia households with extremely low incomes, make up at least 16% of these households.

Table 16: Non-Elderly Households Where Any Household Member Has a Mobility and/or Self Care Limitation by Income, 2000

Income Category	Number of Households	% of Non-Elderly HH with Limitations Within Income Category	% of All Non-Elderly HH with Limitations
Extremely Low Income (0% - 30% MFI)	60,395	16%	18%
Low Income (31%-50% MFI)	43,090	13%	13%
Moderate Income (51% - 80% MFI)	61,745	12%	19%
Middle to Higher Income (>81% MFI)	164,895	9%	50%
TOTAL	330,125		

Source: HUD, *CHAS Data Book* (issued 2003)

Table 17 depicts the number of elderly households where any household member has a mobility and/or self care limitation by income. Thirty-three percent (33%) of all elderly

⁷ George W. Dougherty, *Structuring Developmental Disability Services in Georgia: A Review of Alternatives* (Atlanta, GA: Georgia Governor’s Council on Developmental Disabilities, Oct. 2002) 6. Available online: <http://www.gcdd.org/publicpolicy/download/New%20Division%20Report.pdf>

⁸ RAND Corporation, “RAND Study Says Disability Rates Rise, Finds Link to Obesity,” News Release (8 Jan. 2004) n. pag. Available online: <http://www.rand.org/news/press.04/01.08.html>

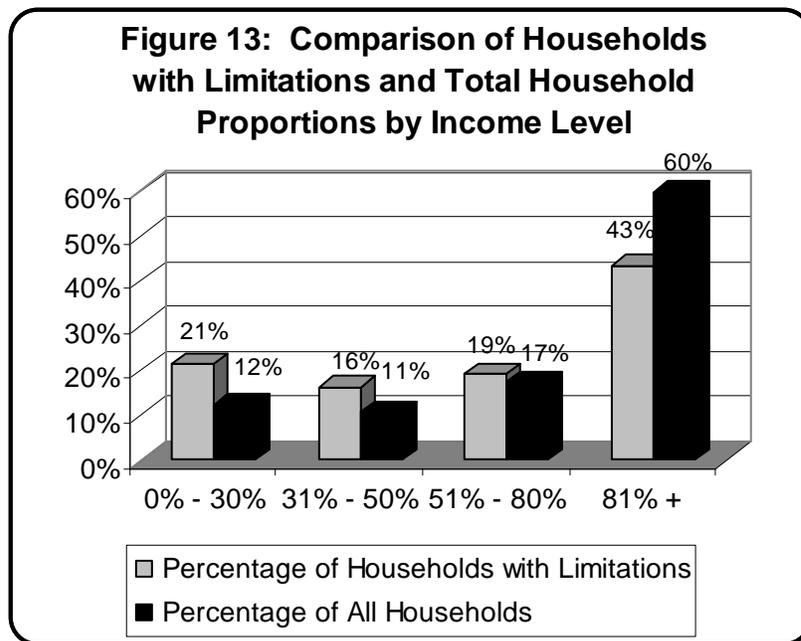
households with limitations have middle- to higher-incomes. However, when compared to all Georgia households with middle- to higher-incomes, elderly households with limitations only comprise 4% of these households. In contrast, 26% of elderly households with limitations have extremely low-incomes. However, those households, when compared to all Georgia households with extremely low incomes, make up at least 15% of these households. Thus, the highest percentage of elderly households with limitations is represented in the extremely low income category in Georgia.

Table 17: Elderly Households Where Any Household Member Has a Mobility and/or Self Care Limitation by Income, 2000

Income Category	Number of Households	% of Elderly HH with Limitations Within Income Category	% of All Elderly HH with Limitations
Extremely Low Income (0% - 30% MFI)	55,105	15%	26%
Low Income (31%-50% MFI)	45,315	14%	21%
Moderate Income (51% - 80% MFI)	41,790	8%	20%
Middle to Higher Income (>81% MFI)	68,955	4%	33%
TOTAL	211,165		

Source: HUD, CHAS Data Book (issued 2003)

Figure 13 illustrates the income categories of all households with limitations (elderly and non-elderly) as compared to all Georgia households. This wealth distribution demonstrates that more households with limitations have extremely low to moderate-incomes. In contrast, only 43% of households with limitations have middle- to higher-incomes as compared to 60% of all households.

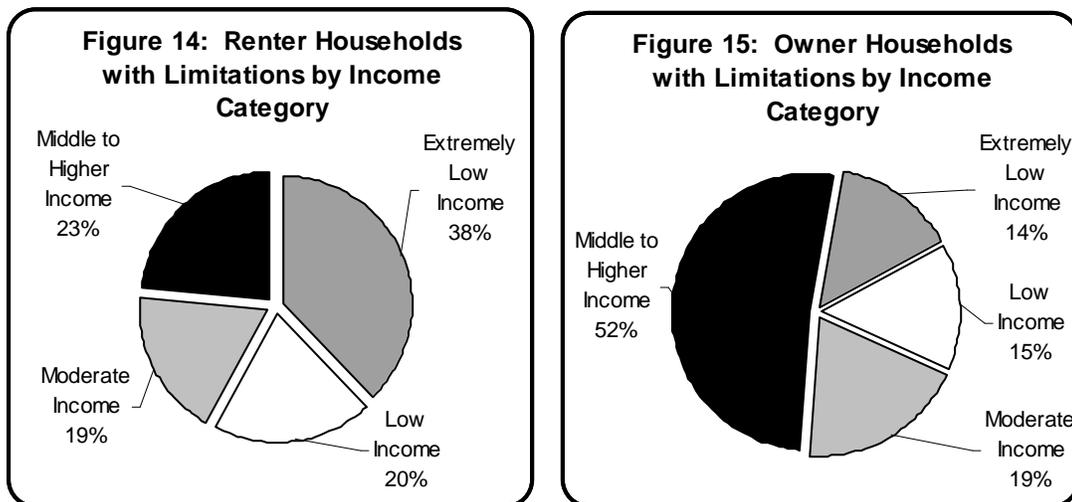


Source: HUD, CHAS Data Book (issued 2003)

As noted above, persons with disabilities are more likely to be poor. According to the findings of *Priced Out in 2002*, a report issued by the Technical Assistance Collaborative, Inc., people with disabilities continue to be the poorest in the nation.⁹ Persons with disabilities receiving SSI benefits were also priced out of every housing market area in the United States in 2002. In Georgia, one-bedroom units renting at the HUD Fair Market Rent cost more than 112.1% of monthly SSI income. Consequently, households with persons with disabilities need greater access to decent, affordable housing.

Tenure

The proportion of households with limitations is comparable to all households with 70% of households with limitations owning their homes. The following two figures demonstrate the differences between renter and owner households with limitations. The majority of renter households (38%) are in the extremely low income category. In comparison, only 14% of owners are in this income category. Income appears to be a barrier to homeownership for these households in the lower income categories.



Source: HUD, CHAS Data Book (issued 2003)

Metropolitan Area Variations

Irrespective of age, a higher percentage of the population with disabilities resides in the state’s non-metropolitan areas, where access to support and options is sometimes limited. However, the greatest number of persons aged 5+ with disabilities resides in Georgia’s metropolitan areas, especially in the metro Atlanta area. According to Census 2000 data, the largest percentage of persons aged 21 to 64 years with disabilities reside in Stewart, Quitman, Brantley, and Glascock counties. For those aged 65 years and older with disabilities, the largest percentage reside in the Middle and Southwest Georgia counties of Glascock, Dodge,

⁹ Ann O’Hara and Emily Cooper, *Priced Out in 2002* (Boston, MA: Technical Assistance Collaborative, Inc., May 2003) 1. Available online: <http://www.c-c-d.org/PO2002.pdf>

Jenkins, Candler, Appling, Bacon, and Clinch. Conversely, the greatest number of persons aged 5+ with disabilities reside in Fulton, DeKalb, Cobb, Gwinnett, and Chatham.

Housing Problems

Housing problems are significant for both non-elderly and elderly households with limitations (see Tables 18, 19, and 20).

Table 18: Housing Problems by Tenure and Income Level for Non-Elderly Households with Limitations, 2000

Income Category	Non-Elderly Renter HH with Limitations		Non-Elderly Owner HH with Limitations	
	# with Housing Problems	% with Housing Problems	# with Housing Problems	% with Housing Problems
Extremely Low Income (0% - 30% MFI)	27,360	74%	17,315	74%
Low Income (31%-50% MFI)	13,085	66%	14,540	62%
Moderate Income (51% - 80% MFI)	8,100	36%	17,125	43%
Middle to Higher Income (>81% MFI)	5,110	17%	18,810	14%
TOTAL	53,655	49%	67,790	31%

Source: HUD, *CHAS Data Book* (issued 2003)

Table 19: Housing Problems by Tenure and Income Level for Elderly Households with Limitations, 2000

Income Category	Elderly Renter HH with Limitations		Elderly Owner HH with Limitations	
	# with Housing Problems	% with Housing Problems	# with Housing Problems	% with Housing Problems
Extremely Low Income (0% - 30% MFI)	14,325	59%	19,115	62%
Low Income (31%-50% MFI)	6,340	47%	10,890	34%
Moderate Income (51% - 80% MFI)	2,575	32%	7,785	23%
Middle to Higher Income (>81% MFI)	1,315	17%	4,400	7%
TOTAL	24,555	46%	42,190	27%

Source: HUD, *CHAS Data Book* (issued 2003)

In comparison to elderly households with limitations, it appears that non-elderly households with limitations, by percentage, are most at risk for housing problems. Extremely low income non-elderly households with limitations, in particular, experience a high incidence of housing problems (74% of renters and 74% of owners).

Table 20: Housing Problems by Tenure and Income Level for All Households with Limitations, 2000

Income Category	All Renter HH with Limitations		All Owner HH with Limitations	
	# with Housing Problems	% with Housing Problems	# with Housing Problems	% with Housing Problems
Extremely Low Income (0% - 30% MFI)	41,685	68%	36,430	67%
Low Income (31%-50% MFI)	19,425	59%	25,430	46%
Moderate Income (51% - 80% MFI)	10,675	35%	24,910	34%
Middle to Higher Income (>81% MFI)	6,425	17%	23,210	12%
TOTAL	78,210	48%	109,980	29%

Source: HUD, *CHAS Data Book* (issued 2003)

Of all households with limitations at or below moderate income, 58% of the renters and 47% of the owners experience at least one housing problem. Interestingly, these figures are slightly lower than the 60% and 52% found respectively for all of Georgia’s low- and moderate-income households. Fifty-two percent (52%) of all households with limitations at or below moderate income level have some type of housing problem. Extremely low income renters and owners experience the largest percentage of housing problems (68% and 67%, respectively). These trends indicate that the majority of extremely low income households with limitations lack decent, affordable housing.

(11) Households with Persons with HIV/AIDS

As stated in Section III.A, the estimates and projections used in this section of the plan were derived from data provided by the U.S. Census Bureau and the U.S. Department and Housing and Urban Development (namely the CHAS Data Book). Unfortunately, this data did not provide specific information for households with persons with HIV/AIDS. Thus, given the available data for this household type, the following discussion will not include detailed information about income categories, tenure, and housing problems.

Nationally, the estimated number of people living with AIDS through 2002 is 384,906.¹⁰ Georgia has at least 12,683 people living with AIDS as of December 2002. The total number of AIDS cases reported in Georgia by the end of March 2003 was 26,139.¹¹ The prevalence of HIV infection (non AIDS) in Georgia’s population is not known since the state does not require it to be reported.

¹⁰ Centers for Disease Control and Prevention, *HIV/AIDS Surveillance Report* (Rockville, MD: Author, 2002) 19. Available online: <http://www.cdc.gov/hiv/stats/hasrlink.htm>

¹¹ Georgia Department of Human Resources, “AIDS Update,” News from DHR (26 Jun. 2003) 1. Available online: http://www.dhr.georgia.gov/vgn/images/portal/cit_1210/6571121NewsReleaseAIDSUpdate1.pdf

Metropolitan Area Variations

The HIV/AIDS epidemic continues to grow in Georgia. According to the Centers for Disease Control (CDC), approximately 1,471 new AIDS cases were reported in Georgia in 2002, at a rate of 17.2 cases per 100,000 people. In addition, Georgia ranked ninth in the nation in the number of cumulative AIDS cases as of December 2002. The majority of people living with AIDS in Georgia reside in the Metro Atlanta area, specifically in Fulton and DeKalb Counties.¹² Other counties with high populations of AIDS cases include Chatham, Richmond, Cobb, Bibb, Gwinnett, Muscogee, Clayton, and Dougherty Counties.

Housing Problems

Many people living with AIDS are in need of some form of housing assistance. These individuals are either in danger of homelessness or are homeless. On a national scale, a 2003 AIDS Housing of Washington survey of selected metropolitan areas found that people with AIDS are at a higher risk of becoming homeless. Of the persons surveyed, 40% reported having been homeless at least once.¹³ In the past, it has been estimated that up to 50% of persons living with HIV/AIDS were expected to need housing assistance of some kind during their lifetimes. Unfortunately, in Metropolitan Atlanta, as well as in other parts of Georgia, the supply of affordable units with services is limited.

Multiple sources report that there can be an average waiting time of 28 to 33 months for subsidized housing in metropolitan areas. For instance, the Atlanta Housing Authority (AHA) indicates that there are currently over 22,000 persons on the waiting list for subsidized housing. In addition, a proportionally large percentage of people pay well over 30% of their monthly income on housing. For example, the 2003 Fair Market Rent for a one-bedroom apartment in Metropolitan Atlanta was over 100% of the amount a person living with AIDS could receive from Social Security Income (SSI).

Unfortunately, the AIDS Housing Coalition has found that funding for housing programs such as HOPWA is inadequate to meet the need as housing costs continue to increase.¹⁴ Since market rate housing is not an alternative for low-income persons with HIV/AIDS, these individuals must often reside in economically depressed or high crime neighborhoods. In addition, AIDS Housing of Washington has noted that housing in rural areas may be just as unaffordable as housing in urban areas. Rural households are also more likely to live in housing with moderate to severe problems with plumbing, heating, electricity, and maintenance.

People living with AIDS face numerous obstacles jeopardizing their housing situation, including discrimination based on their medical condition; progressions in their illness requiring increased medical care; and the limitation created by the disease on employment capabilities and financial resources. Barriers to providing housing and services to people living with AIDS in rural communities can also include transportation difficulties, lack of service providers, and a reluctance to seek help for a variety of reasons.

¹² AIDS Action, "HIV/AIDS in Georgia," State Facts (2003) 2. Available online: http://www.aidsaction.org/communications/publications/statefactsheets/pdfs/georgia_2003.pdf

¹³ AIDS Housing of Washington, "AIDS Housing Survey," AHW Fact Sheet (Spring 2003) 3. Available online: http://www.aidshousing.org/usr_doc/Survey_Factsheet_2003.pdf

¹⁴ Tom Bryan, "Aids Housing Coalition Finds HOPWA Funding Inadequate," *HDR Current Developments* 32 (2004): 180.

AIDS Housing of Washington has also indicated that affordable single or multifamily units, as well as transitional housing units, are keys to stabilizing the housing problems of their marginally housed clients. In addition, since many people living with HIV/AIDS are also substance abusers or have chronic mental health issues, transitional facilities that can offer supportive services are needed.

Other marginally housed individuals include those who are dependent and are living with family or friends in temporary or unstable situations. These individuals are at risk of losing their shelter at any time. When their care becomes too stressful or financially burdensome for the householder, the HIV/AIDS victim is often asked to leave the home. Consequently, individuals with HIV/AIDS have identified the inability to remain in their current residence as a significant housing problem.

C. RACIAL / ETHNIC GROUPS OF DISPROPORTIONATE NEED

The 2000 Census reported that 65% of Georgians were white, 29% were black, and 2% were Asian. Also in 2000, black non-Hispanic households accounted for almost 27% of all Georgia households, whereas Hispanic households accounted for almost 3% and white non-Hispanic households accounted for 67%. The black population grew from 1,744,882 residents in 1990 to 2,349,542 in 2000 – an increase of almost 35%. This increase was the largest of any state in the nation. The Asian population more than doubled since 1990 from 73,757 residents to 173,170.

Hispanics, who may be listed as white or black in the Census data, were 5% of Georgia's and 13% of the nation's residents in 2000. Since 1990, the Hispanic population in Georgia has grown from 101,379 residents to 435,227 – an increase of 329%. Much of this increase may be due to migration from other countries, considering that 7% of the state's total population was foreign-born in 2000.

Indeed, the Hispanic population is continuing to grow at a rapid rate in Georgia. From April 2000 to July 2002, the Hispanic population grew 19% to 516,530 residents – the largest percentage increase of any state in the nation. In addition, Metro Atlanta had the most rapid Hispanic growth rate among the nation's twenty most populous metro areas.

Although Georgia has a very diverse ethnic and racial mixture, the 2000 CHAS Data Book shows evidence of disproportionate need for two groups: black households and Hispanic households. As defined by HUD, a disproportionate need exists for a specific racial or ethnic group if the percentage of that racial or ethnic group's households within a particular category of need is at least ten percentage points higher than found in the category as a whole. Table 21 portrays the disproportionate need figures of racial/ethnic groups by income group and household type. Those figures that exceed 10% of the state whole for a category are in bold print.

Table 21: Disproportionate Need of Racial / Ethnic Groups Housing Problems, 2000

Group	Total Households	Elderly Households	Family Households	All Other Households
<i>Renters</i>				
0% - 30% MFI				
Black	73%	63%	78%	68%
Hispanic	84%	61%	89%	74%
White	69%	55%	78%	73%
State	72%	58%	79%	70%
31% - 50% MFI				
Black	69%	46%	69%	76%
Hispanic	84%	53%	86%	81%
White	67%	51%	67%	79%
State	70%	50%	71%	78%
51% - 80% MFI				
Black	37%	26%	37%	37%
Hispanic	60%	33%	64%	46%
White	38%	38%	31%	46%
State	40%	36%	38%	43%
80% + MFI				
Black	13%	5%	17%	6%
Hispanic	47%	5%	53%	32%
White	7%	15%	7%	6%
State	12%	13%	15%	7%
<i>Owners</i>				
0% - 30% MFI				
Black	73%	69%	79%	67%
Hispanic	81%	65%	87%	62%
White	66%	61%	74%	66%
State	69%	63%	77%	67%
31% - 50% MFI				
Black	63%	45%	71%	67%
Hispanic	80%	50%	84%	80%
White	50%	33%	69%	64%
State	55%	35%	71%	65%
51% - 80% MFI				
Black	48%	33%	49%	56%
Hispanic	66%	30%	69%	57%
White	39%	21%	47%	51%
State	42%	23%	49%	53%
80% + MFI				
Black	14%	11%	13%	19%
Hispanic	26%	11%	29%	16%
White	10%	7%	10%	16%
State	11%	7%	11%	16%

Source: HUD, CHAS Data Book (issued 2003)

As shown in Table 21, elderly black homeowners with low and moderate incomes show disproportionate need compared to the state as a whole. This need may be a cause of a higher number of predatory loans within this population. Older people, minorities, families with low incomes, and people with disabilities are especially vulnerable to predatory lending scams. In Atlanta, for instance, subprime loans are three times more likely to occur in low-income neighborhoods and are almost five times more likely to occur in black neighborhoods than white neighborhoods.¹⁵

On the other hand, these statistics indicate that Hispanic households across all income categories and household types, regardless of tenure, disproportionately experience housing problems. Specifically, the Hispanic groups noted below have disproportionately higher frequencies of housing problems.

- All extremely low income renter and owner households.
- All low-income renter and owner households.
- All moderate-income renter and owner households.
- All middle- to higher-income renter and owner households.
- Family households of all incomes and tenure.
- Middle- to higher-income renters for all other households.
- Low-income owners for all other households.
- Elderly low-income homeowners.

These figures indicate a very high need for outreach efforts to increase the participation of Hispanic households in available housing assistance programs. These efforts should be concentrated in Georgia's urban areas, which, in 2000, were estimated to be home to 86% of all Hispanic residents. For instance, in 2000, nearly 62% of Georgia's Hispanic households lived within the Atlanta Metropolitan Statistical Area (MSA).

D. GEORGIA'S HOMELESS

(1) Nature and Extent of Homelessness

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

¹⁵ U.S. Department of Housing and Urban Development, *Unequal Burden in Atlanta: Income and Racial Disparities in Subprime Lending* (Washington, DC: Author, Apr. 2000) 3. Available online: <http://www.hud.gov/library/bookshelf18/pressrel/subprat1.pdf>

In 2003, the Atlanta Tri-Jurisdictional Continuum (including the City of Atlanta and DeKalb and Fulton Counties) in conjunction with Pathways Community Network prepared a comprehensive, point-in-time count of Atlanta's homeless population. Consistent with HUD's definition of homeless, it did not include people living in crowded housing or staying with friends/extended family. The survey – which included individuals sheltered in emergency and transitional housing, institutions (e.g. hospitals), as well as a street count – yielded a total of 6,956 people homeless in the Tri-Jurisdictional area on the night of March 12 and the morning of March 13, 2003.¹⁶ Using extrapolation procedures explained fully in the census report (turnover rate determined by length of homelessness episodes and percentage of respondents indicating each duration of homelessness), it is estimated that 16,625 people in Atlanta will be homeless for at least one day over the course of a 12-month period. However, this number is likely to be too low, as one category of the homeless population – those who are within 10 days or fewer of eviction – are difficult to enumerate. However, knowing that most evictions take place on the tenth of the month, the census was deliberately scheduled to account for as many recent evictees as possible.

To date, other communities in Georgia have not conducted point-in-time counts with the same methodology used by the Tri-Jurisdictional Continuum. As such, definitive counts of the homeless population do not exist at the local, state, or national level. This is largely due to the human and financial resources needed to undertake a project of this magnitude. Therefore, a statistical process was used to generate an estimate for the homeless population in the remainder of the state.

One extrapolation process takes into account each county's value on the rural-urban continuum. This statistical model, developed by Christopher G. Hudson of the Salem State College of Social Work, was used to identify homelessness rates in the remaining areas of Georgia.¹⁷ The homeless rate of 2.9/10,000 was identified for rural counties and the rate of 18.0/10,000 was identified for counties with a population over 5 million people. Figures for suburban counties were not given, so for the purpose of this exercise suburban counties were assigned the average of the two values – 10.45/10,000.

In addition, the Economic Research Service of the U.S. Department of Agriculture has assigned each Georgia county a value on the rural-urban continuum.¹⁸ This value is determined by a county's population density and adjacency to a metropolitan area. The scale ranges from 1 to 9, with 1 being a densely populated urbanized county, and 9 being a county with low population density that is not adjacent to a metropolitan county. Counties with a value of 1 or 2 on the rural-urban continuum were assigned the homelessness rate of 18.0 per 10,000 people. Counties with a value of 3 or 4 were assigned the homelessness rate of 10.45/10,000, and counties with a value of 5 or higher were assigned the rural rate of 2.9/10,000 people. The population counts were based on Census 2000 data.

¹⁶ Applied Survey Research, *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey* (Watsonville, CA: Author, Oct. 2003) 11.

Available online: http://www.appliedsurveyresearch.org/products/2003_Atlanta_Report.pdf

¹⁷ Christopher G. Hudson, "Estimating Homeless Populations through Structural Equation Modeling," *Journal of Sociology and Social Welfare* 25 (1998): 136-54.

¹⁸ U.S. Department of Agriculture, Economic Research Service, *2003 Rural-Urban Continuum Codes* (Washington, DC: Author, 2003).

Available online: <http://www.ers.usda.gov/Data/RuralUrbanContinuumCodes/2003/>

Using the procedures above, the homeless population estimate per year for the remainder of the state of Georgia – minus Fulton and DeKalb Counties (point-in-time figures exist for those counties) – is 20,462. The total, including figures from the Tri-Jurisdictional point in time extrapolation, is 37,087.

The final estimate is based entirely on the number of homeless persons served during SFY2003 as reported by DCA-funded homeless assistance programs. During this period, agencies funded with DCA Emergency Shelter Grant Program funds reported assisting 51,057 unduplicated (by agency) individuals and family members with housing and other supportive services (not including clients who received supportive services not associated with housing). Of this group, 34,208 individuals (67%) and 16,849 persons in families (33%) received shelter and transitional housing. The number of clients assisted may include duplications of clients receiving housing assistance from more than one agency, but most likely a large number of single men are not represented in this number. The number of single men housed only represents 30% of the total number of persons housed. This means that the number of men receiving housing assistance is extremely low and not representative of the typical rate found in the Tri-Jurisdictional area (67%).¹⁹ This difference may be due to the fact that a few of the larger homeless housing providers in Atlanta are not funded for housing assistance through this program. Consequently, data on clients served through those programs is not available. DCA funds are used statewide, and many areas/jurisdictions, particularly the Atlanta metropolitan area, receive additional funding directly from HUD for homeless programs.

Nationwide, the Urban Institute estimates that between 2.3 and 3.5 million people nationwide experience homelessness over the course of a year.²⁰ At least 800,000 people are homeless on any given day throughout the United States.

(2) General Description of the Homeless

According to Stewart B. McKinney Act (42 U.S.C. § 11302), a person is considered homeless if he/she lacks a fixed, regular, and adequate night-time residence; and has a primary night-time residency that is: (a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations; (b) an institution that provides a temporary residence for individuals intended to be institutionalized; or (c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. This definition of *homeless person* is the same as that found in the Consolidated Plan regulations located in 24CFR91.5.

According to the National Coalition for the Homeless, this definition is usually interpreted to include only those persons who are literally homeless -- that is, on the streets or in shelters.²¹ In addition, the definition typically includes persons who face imminent eviction (within a week) from a private dwelling or institution and who have no subsequent residence or resources to obtain housing. Consequently, this definition may not include people that are less likely to live on the street or in a shelter (such as homeless people in rural areas).

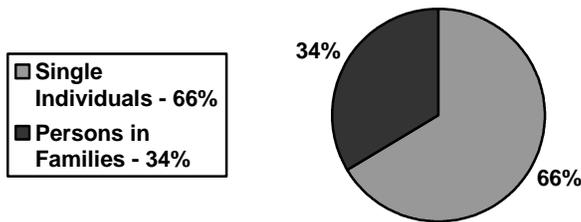
¹⁹ Applied Survey Research 60.

²⁰ Martha R. Burt, *What Will It Take to End Homelessness?* (Washington, DC: Urban Institute, Sep. 2001) 1. Available online: <http://www.urban.org/url.cfm?ID=310305>

²¹ National Coalition for the Homeless, "Who is Homeless?," NCH Fact Sheet #3 (Sep. 2002) n. pag. Available online: <http://www.nationalhomeless.org/who.html>

Although it is almost impossible to know how many homeless persons live in Georgia and in the United States, it is possible to generate a basic picture of the characteristics of this population. Figures 16 and 17 offer a general description of the composition of the homeless population of the nation, based on data from the National Alliance to End Homelessness. Figure 16 indicates that, while the majority (66%) of homeless persons is single adults/individuals, 34% of the homeless consist of persons in families. These percentages are consistent with the family compositions of homeless persons housed through programs funded under DCA’s Emergency Shelter Grants Program (ESGP) during SFY2003 (July 2002 - June 2003). During this period, nonprofit agencies reported that of the 51,057 homeless persons receiving shelter and transitional housing, 34,208 were single individuals (67%) and 16,849 were persons in families (33%).

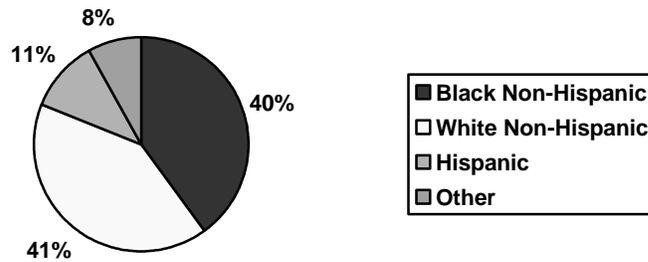
Figure 16: Homeless Population (point in time)



Source: National Alliance to End Homelessness, *A Plan, Not A Dream: How to End Homelessness in Ten Years*

When considering homeless persons in the United States, as demonstrated in Figure 17, the racial/ethnic breakout of the homeless family is divided primarily between black (40%) and white (41%) non-Hispanic families. Homeless Hispanic families of any race account for 11% of homeless families. This distribution varies greatly from the racial composition of homeless persons housed through programs funded under DCA’s Emergency Shelter Grants Program (ESGP) during SFY2003. During this period, nonprofit agencies reported that of the 51,057 homeless persons receiving shelter and transitional housing, 36,250 were black non-Hispanic (71%) and 13,275 were white non-Hispanic (26%). The number of Hispanic persons of any race who were homeless was 1,021 (2%). The number of homeless persons who are black/African American is disproportionately represented in Georgia. According to Census 2000, African Americans represent 28.7% of Georgia’s population and 12.3% of the entire United States population.

Figure 17: Race/Ethnicity of Homeless Clients (national data)



Source: National Alliance to End Homelessness, *A Plan, Not A Dream: How to End Homelessness in Ten Years*

(3) Geography of Homelessness

Homelessness occurs in both urban and rural areas. Several factors influence the prevalence of homelessness in different areas, including job markets and the availability of affordable housing.

Nationally, 71% of homeless people who rely on homeless assistance programs lived in the central cities, whereas 21% lived in the suburbs/urban fringe areas and the remaining 9% lived in rural areas of the country.²² Urban areas offer more housing and supportive service programs to homeless individuals, hence the greater percentage. Interestingly, the City of Atlanta’s homeless census found that 75.1% of persons surveyed already live where they originally became homeless.²³ SAMHSA’s National Resource Center on Homelessness and Mental Illness notes that homeless persons with serious mental illnesses are typically long-term citizens of the communities in which they are homeless.²⁴

Georgia’s Continuum of Care has indicated that it is also common for the rural homeless to be natives of the community in which they find themselves homeless. Typically, they had been staying with relatives or friends before becoming homeless. These individuals and families do not always view themselves as homeless, and the local elected officials, service agencies, and church and business leaders often fail to recognize that homelessness exists in their rural communities. The tendency of individuals in these areas to "take care of their own" prevails. In addition, some individuals are reluctant to ask for assistance, rendering the rural homeless "hidden." Consequently, providing services to these individuals is difficult.

²² Martha R. Burt 3.

²³ Applied Survey Research 66.

²⁴ Substance Abuse and Mental Health Services Administration, National Resource Center on Homelessness and Mental Illness, "Why Are So Many People with Serious Mental Illnesses Homeless?," Get the Facts Question #3 (Mar. 2003) n.pag. Available online: http://www.nrchmi.samhsa.gov/facts/facts_question_3.asp

According to homeless service providers in Georgia, rural homelessness is not an isolated phenomenon. Instead, it is a pervasive situation, very complex and very difficult to solve. It is also a situation expected to grow worse with changes in social policy, the disappearance of low-skill jobs, and the dwindling of available resources.

(4) Causes of Homelessness

A person may become homeless for a variety of reasons. The reasons may include poverty, lack of affordable housing, disabilities, untreated mental illnesses, substance abuse, co-occurring disorders (mental illness and substance abuse), or other circumstances. In addition to the above reasons, the National Coalition for the Homeless (NCH) reports that eroding work opportunities, declines in public assistance, a lack of affordable health care, and domestic violence are responsible for the rise in homelessness in the last 20 to 25 years.²⁵ Homelessness results from a complex set of circumstances which can often times require people to choose between food, shelter, and other basic needs.

Locally, as reported by *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey*, 38% of the survey respondents stated that alcohol or drug use was the factor that contributed to their being homeless.²⁶ Twenty-nine (29%) of the respondents stated that unemployment was the reason. Another 12% stated that an illness or medical problem was the reason, while 11% reported an argument with family or friends was the reason for their homelessness.

When considering the disparity of geographic locations of the homeless, the questions arise as to why some people tend to leave an area once they are homeless, as well as to why they chose to move to a particular area. In a national survey, the major reasons given for leaving an area – among all categories – were lack of jobs or affordable housing and being evicted from a prior residence.²⁷ It is a common misperception that the larger central cities have a larger and more accessible job market.

(5) Housing Needs of the Homeless

The Availability of Housing for the Homeless

DCA funded programs across the state made available a total of 5,589 bed spaces in 2002–2003. The vast majority (70% or 3,889) is located within the Atlanta MSA, leaving 1,700 for the balance of the state. The beds available for the state, both inside and outside of the Atlanta MSA, are divided between emergency shelter units and transitional housing. The number of emergency shelter beds increases slightly in the fall and winter months when temporary bed spaces are made available. Using the conservative estimates previously stated, there are anywhere from 30,000 – 51,087 homeless individuals in Georgia each year. Assuming this estimate is correct, and dividing the annual number by the turnover rate of 2.39 (rate obtained from *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey*), there are anywhere from 12,552-21,375 homeless individuals in Georgia at any point in time.

²⁵ National Coalition for the Homeless, “Why are People Homeless?,” NCH Fact Sheet #1 (Sep. 2002) n. pag. Available online: <http://www.nationalhomeless.org/causes.html>

²⁶ Applied Survey Research 45.

²⁷ Urban Institute, et al, *Homelessness: Programs and the People They Serve – Summary* (Washington, DC: U.S. Department of Housing and Urban Development, Dec. 1999) xx.

In 1998, DCA submitted the first Georgia Continuum of Care Plan for the Balance of the State to HUD, which allowed organizations in rural communities to compete for HUD SuperNOFA funding. Since 1998, HUD has awarded over \$31.4 million to 81 proposals around the State. This plan is updated annually and is available upon request.

Georgia's 2004 Continuum of Care Plan covers all but seven of the state's 159 counties. This plan contains a gaps analysis, which shows the current inventory of beds for individuals and families and the unmet need or gap for emergency shelter beds and for transitional housing beds for these populations. According to this analysis, the balance of the state has 68% of the needed emergency shelter beds/units and only 23% of the needed transitional housing beds/units for homeless individuals and families. This analysis indicates a great need for housing across the board for all of Georgia's homeless.

The Most Important Need – Access to Affordable Housing

The inherent nature of homelessness dictates that the solution is to increase access to affordable housing. Based on the current federal minimum wage of \$5.15/hour, a household earning a single minimum wage can pay no more than \$247 per month for rent before the household becomes cost burdened. At \$412 per month for rent, the household becomes extremely cost burdened. Within the Atlanta MSA, the 2005 fair market rent for a two-bedroom unit is \$928. Affordability varies between different markets. For example, cost burdened households in Whitfield County could afford 47% of the fair market rent on a two-bedroom unit, 46% in Troup County, or 63% in Calhoun County.

In Georgia, 32.5% of households rent whereas 67.5% own homes. According to the National Low Income Housing Coalition, 68.2% of extremely low income renter households in Georgia are cost burdened, and 53.4% of Georgia's extremely low income renter households are severely cost burdened.²⁸

Safety must also be considered in order to eliminate homelessness. Most housing available at a cost low enough to be affordable is found in neighborhoods distressed by violence and crime. Homeless clients have been reported to prefer staying in shelters rather than living in areas where they or their children may be in danger.

Additional programs and incentives are needed in order to disperse affordable housing opportunities to Georgia's low-income families and individuals. More efforts are also needed to prevent new households from becoming homeless and to assist the existing homeless population in securing permanent housing.

Other Housing Needs

Additional bed spaces in emergency shelters, transitional housing facilities, single room occupancies (SROs), and efficiency apartments are needed across Georgia to serve the existing homeless population.

Homeless providers at DCA's annual Continuum of Care workshops have voiced the need for

²⁸ National Low Income Housing Coalition, "Georgia Renter Households," Local Area Low Income Housing Database (2004). Available online: <http://www.nlihc.org/research/lalihd/Georgia.pdf>

facilities that offer transitional housing to young adults over age 18; shelters that are accessible by all household types; and the elimination of time limits.

Other housing needs identified by providers include additional housing for homeless men and families; increased access to affordable housing; additional transitional housing; down payment and first/last month's rent assistance; rental assistance; long-term shelters; additional shelters; and education for the general public on the homeless issue. Additional assistance is needed with paying past utility bills and new utility deposits; long-term lease or lease purchase arrangements for households leaving transitional housing; and weatherization services. For instance, the Cobb Weatherization Program estimates that a 31% reduction in heating costs is achievable by properly weatherizing a housing unit.

Supportive Service Needs

Due to the complex nature of homelessness, a wide continuum of supportive services is required to effectively facilitate a successful transition from homelessness into permanent and stable housing. Each man, woman, and child affected by homelessness has varying needs. Consequently, the continuum of required services is wide ranging.

A past survey conducted by DCA of all homeless service providers asked, in their opinion, what was the greatest need in terms of resources to assist their consumers in overcoming obstacles to affordable housing. Of the respondents, the greatest need (47%) was additional case managers, while the second greatest need reported was employment training (46%). When asked what types of case management would meet the needs of their clients, most providers indicated the need for general life skills (59%), closely followed by employment training (52%), alcohol/drug treatment (40%), and financial planning (31%).

A further breakdown of previously reported supportive assistance needs includes case management; employment training and assistance (job skills, interviewing, community voice-mail, and time management); educational services for children and adults (G.E.D. classes, reading and writing skills, and after-school tutoring); and health care (prescriptions, medical attention including vision, dental, and foot care). Other needs include financial planning (budget management and credit counseling); life skills counseling (such as parenting education and family planning); affordable day and night care services; legal assistance; substance abuse recovery support; transportation assistance; supportive housing programs (such as locator services and home maintenance programs); and landlord/tenant counseling.

For many homeless women and men with children, a growing concern and barrier to improving their situation is the lack of available day care. Without this service, many parents are unable to take the time to look for a job, or a better job, as well as go to work once employment is found.

Locally, as reported by *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey*, the top two daily needs that homeless survey respondents had the most trouble getting were food, a place to cook, and water (35%) and public transportation (30%).²⁹ The next two needs reported were clothing/shoes (19%) and a place to stay, a safe place to sleep or rest, and shelter (17%).

²⁹ Applied Survey Research 49.

(6) Subpopulations of the Homeless

The network of specialized shelter and essential services for homeless individuals and families is most developed in the urbanized core communities. In most rural communities throughout the state, it is not practical to develop a shelter or service designed specifically for homeless individuals with special needs. However, when rural providers identify a client with special needs that they cannot adequately serve, the client must be referred to the nearest center for acute care needs, which is often in an urban area. Even with these existing gaps, there are gateways into the continuum of care system for subpopulations throughout the state. Some of these special needs populations are described in the sections below.

During SFY2003, the Georgia Department of Community Affairs collected the following client data from grantees (nonprofit agencies and or local governments) administering the state's Emergency Shelter Grant Program (ESGP). This data is a requirement of the Integrated Disbursement Information System (IDIS) from which federal ESGP dollars are dispersed.

Of the 51,057 clients who received housing (emergency or transitional), the number below self-reported to have the following characteristics.*

CHARACTERISTIC	NUMBER	PERCENTAGE
Victim of Domestic Violence	14,467	28.3%
Runaway/Throwaway Youth	151	<1%
Chronically Mentally Ill	12,434	24.3%
Developmentally Disabled	2,404	4.7%
HIV/AIDS	4,280	8.4%
Alcohol Dependent	18,195	35.6%
Drug Dependent	18,616	36.5%
Elderly (\geq 60 years old)	1,254	2.5%
Veterans	4,134	8.1%
Physically Disabled	1,538	3%
Illiterate or Marginally Literate	3,457	6.8%
Criminal History	11,253	22%
Other	111	<1%

* Since many clients have dual issues, the percentage total will not equal 100%.

Of the 176,077 clients who received supportive services, the number below self-reported to have the following characteristics.*

CHARACTERISTIC	NUMBER	PERCENTAGE
Victim of Domestic Violence	7,589	4.3%
Runaway/Throwaway Youth	1,065	<1%
Chronically Mentally Ill	29,599	16.8%
Developmentally Disabled	3,285	1.9%
HIV/AIDS	8,153	4.6%
Alcohol Dependent	33,593	19.1%
Drug Dependent	43,529	24.7%
Elderly (≥60 years old)	11,101	6.3%
Veterans	6,496	3.7%
Physically Disabled	6,550	3.7%
Illiterate or Marginally Literate	4,835	2.7%
Criminal History	8,927	5%
Other	1,972	1%

* Since many clients have dual issues, the percentage total will not equal 100%.

Severe Mental Illness

The 2003 report *Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and/or Co-Occurring Substance Abuse Disorders* discusses how the symptoms of serious mental illness may increase the vulnerability to homelessness. “Depending on the disorder, people with a mental illness may experience a range of behaviors that threaten their housing stability. [Left untreated, these individuals] may disturb their neighbors, be a threat to themselves or others, miss rent or utility payments, or neglect their housekeeping, and be evicted.”³⁰

According to the National Resource Center on Homelessness and Mental Illness, homeless people with mental disorders remain homeless for longer periods of time than the general population of homeless persons.³¹ Not only do homeless persons with mental illness enter into a state of homelessness more often and for longer periods of time than individuals without mental illness, many of them have been on the streets for years. However, the Federal Task Force on Homelessness and Severe Mental Illness notes that few homeless persons with mental illness need to be institutionalized if appropriate supportive housing options are offered.³²

³⁰ Substance Abuse and Mental Health Services Administration, *Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and/or Co-Occurring Substance Abuse Disorders*, DHHS Pub. No. SMA-04-3870 (Rockville, MD: Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, 2003) 12. Available online: <http://www.nrchmi.samhsa.gov/pdfs/publications/Blueprint.pdf>

³¹ Substance Abuse and Mental Health Services Administration, National Resource Center on Homelessness and Mental Illness, “Why Are So Many People with Serious Mental Illnesses Homeless?” n. pag.

³² National Coalition for the Homeless, “Why are People Homeless?,” n. pag.

The National Coalition for the Homeless also found that persons with mental disorders and persons with addictive disorders share many of the same needs, which may include case management, housing opportunities, and long-term follow-up and support services.³³

The National Resource Center on Homelessness and Mental Illness also reports that an estimated 20–25% of the homeless persons on any given night have a serious mental illness, and half of that group also has an alcohol and/or drug use problem.³⁴ Furthermore, the center reports that minorities, especially African Americans, are over represented among homeless persons with mental illness.

Many individuals needing long-term treatment can access supportive living programs or group home placements. However, most of these facilities are full, preventing a significant number of individuals from accessing these resources. Consequently, these individuals stay in an emergency shelter until spaces are available. Many times they lose their emergency placement when they "act out" in one way or another. When this happens, they often lose contact with their case manager and the cycle starts all over again.

The housing needs of the severely mentally ill homeless include emergency shelter, transitional housing, and/or permanent supportive housing that provide on-site mental health counseling as well as medical services. Once the psychological problems are stabilized, a group home or independent living situation including counseling and medical care services is warranted.

Alcohol/Other Substance Abuse

The Substance Abuse and Mental Health Services Administration's report *Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and Co-Occurring Substance Abuse Disorders* notes that "substance abuse is both a precipitating factor and a consequence of being homeless."³⁵ It is estimated that up to half of all persons experiencing homelessness have diagnosable substance use disorders at some point in their lives. The report also estimates that in as many as 30–40% of homeless persons, alcohol abuse is more common than any other type of substance abuse.

Substance abuse among the homeless population is a cause for concern in Georgia, too. Almost 38% of respondents to *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey* reported that alcohol or drug use was a primary cause of their homelessness.³⁶

³³ National Coalition for the Homeless, "Mental Illness and Homelessness," NCH Fact Sheet #5 (Apr. 1999) n. pag. Available online: <http://www.nationalhomeless.org/mental.html>

³⁴ Substance Abuse and Mental Health Services Administration, National Resource Center on Homelessness and Mental Illness, "Why Are So Many People with Serious Mental Illnesses Homeless?" n. pag.

³⁵ Substance Abuse and Mental Health Services Administration, *Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and/or Co-Occurring Substance Abuse Disorders* 13.

³⁶ Applied Survey Research 13.

Homeless individuals experiencing problems with alcohol and other drug abuse need emergency shelter and transitional housing that offers chemical dependency counseling and medical services. After the drug problems are stabilized, these individuals benefit from a group home or other independent living situation that facilitates continued counseling and medical care. When substance abuse problems are coupled with mental illness, counseling and medical services are necessary to assist with recovery.

Chronic Homelessness

Most persons (80%) experiencing homelessness are ultimately able to regain stable housing after a short period of time. However, as cited in a 2003 SAMHSA report, “One study of shelter users in two large cities found that...10 percent were episodically homeless [i.e., have many episodes of homelessness but each for short periods of time] and 10 percent were chronically homeless [i.e., have fewer episodes of homelessness but each for long periods of time].”³⁷ HUD defines a chronically homeless person as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years. Disabling condition is defined by HUD as “a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions.” In defining the chronically homeless, the term “homeless” means “a person sleeping in a place not meant for human habitation (*e.g.*, living on the streets) or in an emergency homeless shelter, and a person in transitional or supportive housing for homeless persons who originally came from the street or an emergency shelter.”

As stated in Georgia’s *Homeless Action Plan to End Homelessness in Ten Years*, national models have estimated that 1,600 chronically homeless individuals are living on the streets of Georgia.³⁸ While *The 2003 Metro Atlanta Tri-Jurisdictional Collaborative Homeless Census and Survey* did not survey homeless persons for disabilities, the findings did show that one third of persons surveyed stated that they had been homeless for more than one year.³⁹ Eighteen percent (18%) had been continually homeless for two years or longer, which meets HUD’s definition of chronic homelessness.

According to the U.S. Department of Health and Human Services report *Improving Medicaid Access for People Experiencing Chronic Homelessness: State Examples*, up to 85% of persons experiencing chronic homelessness have disabling conditions such as mental illness, substance abuse, and severe health problems such as HIV/AIDS and tuberculosis.⁴⁰

³⁷ Substance Abuse and Mental Health Services Administration, *Blueprint for Change: Ending Chronic Homelessness for Persons with Serious Mental Illnesses and/or Co-Occurring Substance Abuse Disorders* 3.

³⁸ Georgia Homeless Policy Team, *State of Georgia Homeless Action Plan to End Homelessness in Ten Years* (Atlanta, GA: Georgia Department of Community Affairs, Dec. 2002) n. pag. Available online: <http://www.dca.state.ga.us/housing/HomelessActPlan.pdf>

³⁹ Applied Survey Research 42.

⁴⁰ Steve Eiken and Sara Galantowicz, *Improving Medicaid Access for People Experiencing Chronic Homelessness: State Examples* (Washington, DC: Thomson Medstat, 29 Mar. 2004) 2. Available online: <http://www.cms.hhs.gov/medicaid/homeless/homeless32904.pdf>

Disconnection from family/community supports; skepticism of service systems; lack of education; childhood trauma; and poor life/job skills all create barriers to self-sufficiency as well as barriers to treatment.

As discussed later in the Housing Market Analysis section in this report, the goals determined in the *State of Georgia Homeless Action Plan to End Homelessness in Ten Years* will be developed by the Georgia Interagency Homeless Coordination Council.

On February 11, 2004, Governor Sonny Perdue ordered that the Georgia Interagency Homeless Coordination Council be co-chaired by the Georgia Department of Human Resources and the Georgia Department of Community Affairs. The interagency council will be composed of representatives from the various state departments and other homeless coordination service agencies. In addition to the interagency council, various state departments are working to develop new intake protocols that may be utilized by state and community mental health providers. These new protocols will seek to identify homeless persons as they enter and navigate through the mental health system.

Domestic Violence

A lack of affordable housing and long waiting lists for assisted housing are problems nationwide. Unfortunately, many women and their children are forced to choose between abuse at home and living on the streets. According to the U.S. Conference of Mayors, an estimated 32% of requests for shelter by homeless families were denied in 1998 due to a lack of provider resources.⁴¹ Furthermore, a 1990 Ford Foundation study found that 50% of homeless women and children were fleeing abuse nationwide.⁴² Locally, the Georgia Bureau of Investigation reported that law enforcement officers responded to 47,802 family violence incidents in 2001.

According to the Georgia Department of Human Resources (DHR), Division of Family and Children Services, the total number of crisis calls received at Family Violence Shelters in 2002 was 72,682.⁴³ Approximately 3,932 adults and 3,920 children received shelter assistance through DHR's certified family violence programs in 2002.

Children of battered women are an important subset of this homeless population. As seen in the previous numbers from DHR, over half of the clients served by Georgia family violence shelters in 2002 were children. The Georgia Coalition Against Domestic Violence notes that over 3 million children are at risk of exposure to parental violence each year.⁴⁴ According to DHR, there are 43 registered domestic violence shelters in the state of Georgia that receive regular training and certification.

⁴¹ National Coalition for the Homeless, "Domestic Violence and Homelessness," NCH Fact Sheet #8 (Apr. 1999) n. pag. Available online: <http://www.nationalhomeless.org/domestic.html>

⁴² National Coalition for the Homeless, "Domestic Violence and Homelessness" n. pag.

⁴³ Georgia Department of Human Resources, "Violence Against Adults in Georgia," Fact Sheet (Jun. 2003) n. pag. Available online: http://dhr.georgia.gov/vgn/images/portal/cit_1210/6616618ViolenceAgainstAdults.pdf

⁴⁴ Georgia Coalition Against Domestic Violence, "Domestic Violence Statistics," n. d., n. pag. Available online: http://www.gcadv.org/dv_stats.htm

Domestic violence cuts across all cultural, social, and economic lines. Battered women reside in all types of housing and have incomes at all levels. However, all domestic violence victims who are homeless have a common need for safe, affordable housing when they are able to leave the abusive situation. Often, affordable housing is not easily available. In some communities, homeless victims must wait three to six months for available public housing.

Waiting lists for Housing Choice Voucher programs often extend from 6 months to 24 months. The costs associated with childcare, housing, and basic needs may cause victims to feel as if they will not be able to leave their abuser.

As with other homeless subpopulations, programs for transitional housing with supportive services; affordable single and multifamily housing; and rental, utility, and security deposit assistance best meet the needs of battered women and their children. The social services required by families relocating to safe housing include: support services for both the battered woman and her children; legal advocacy to keep the abuser off the premises; employment training; education; child care services; parenting guidance; and transportation assistance.

AIDS Related Diseases

Lack of affordable housing is a critical problem for people living with AIDS and other illnesses caused by the Human Immunodeficiency Virus (HIV). AIDS Housing of Washington (AHW) reports that the prevalence of HIV among homeless people is at least three times higher than the general population (3.4% versus 1%) with even higher rates (8.5% to 62%) in various homeless subpopulations.⁴⁵ A survey conducted by AHW showed that 40% of individuals with HIV/AIDS reported having been homeless at least once.

Furthermore, studies have shown that people with AIDS are at a higher risk of becoming homeless. For instance, a Los Angeles study showed that up to 50% of persons living with HIV/AIDS felt that they may need housing assistance of some kind during their lifetimes.⁴⁶ The AIDS Housing Survey by AHW reported that approximately 31% of survey respondents were considered cost burdened, paying 30% to 49% of their income for housing. Forty-six percent (46%) were considered severely cost burdened, paying 50% or more of their income for housing.⁴⁷ The majority of the nation's homeless suffer from chronic or infectious diseases; yet, 55% of homeless persons do not have insurance.⁴⁸ This fact amplifies the problem of AIDS in the homeless community.

The potential demand for homeless services specifically for this population will increase as more people become infected. As an HIV-related disease progresses, the person's need for medical and housing support services grows. The housing needs for victims of HIV/AIDS range on a continuum from independent affordable housing to nursing home care. During the later stages of the disease, residential hospices and/or nursing homes (end-stage housing) are needed.

⁴⁵ AIDS Housing of Washington, "Homelessness and HIV/AIDS," AHW Fact Sheet (Spring 2003) 1. Available online: http://www.aidshousing.org/usr_doc/Homelessness_Factsheet_2003.pdf

⁴⁶ AIDS Housing of Washington, "Homelessness and HIV/AIDS" 1.

⁴⁷ AIDS Housing of Washington, "AIDS Housing Survey" 3.

⁴⁸ AIDS Housing of Washington, "Homelessness and HIV/AIDS" 1.

Youth

Homeless youth are individuals under the age of eighteen who lack parental, foster, or institutional care. These young people are sometimes referred to as "unaccompanied" youth by the National Coalition for the Homeless.⁴⁹ According to the U.S. Conference of Mayors 2003 *Hunger and Homelessness Survey*, unaccompanied youth are estimated to account for 5% of the urban homeless population.⁵⁰ In 1997, the Georgia State University Policy Research Center study reported that unaccompanied youth accounted for 3% of all homeless people and 4% of all single homeless people in Metropolitan Atlanta.⁵¹

Nationally, as reported by the Urban Institute, 93% of homeless school age children attend school regularly.⁵² The national proportions of homeless children under 18 are as follows:

- Ages 0-2: 20%
- Ages 3-5: 22%
- Ages 6-8: 20%
- Ages 9-17: 33%
- Age unknown: 5%



Currently, reliable state data about homeless youth served by schools funded with McKinney Vento funds through the Georgia Department of Education (GADOE) is not available. Previous GADOE reports have shown that Georgia has approximately 16,649 homeless children (under age 18).

As noted by the National Coalition for the Homeless, disruptive family conditions are one of the principal reasons that young people leave home.⁵³ Some youth become homeless with their families, but are later separated from them by shelter, transitional housing, or child welfare policies.

Still other youth become homeless upon discharge from residential or institutional placements they are too old for foster care and are discharged to the streets with no housing or income support.

The NCH also reports that the rate of HIV cases in homeless youth may be as much as 2 to 10 times higher than the rates reported for other samples of adolescents in the United States.⁵⁴

⁴⁹ National Coalition for the Homeless, "Homeless Youth," NCH Fact Sheet #11 (Apr. 1999) n. pag. Available online: <http://www.nationalhomeless.org/youth.html>

⁵⁰ United States Conference of Mayors and Sodexo, *Hunger and Homelessness Survey: A Status Report on Hunger and Homelessness in America's Cities* (Washington, DC: United States Conference of Mayors, 2003) Available online: <http://www.usmayors.org/uscm/hungersurvey/2003/onlinereport/HungerAndHomelessnessReport2003.pdf>

⁵¹ Charles Jaret and Robert Adelman, *Homelessness in Metropolitan Atlanta* (Atlanta, GA: Georgia State University, May 1997) 33.

⁵² Urban Institute, et al 18.

⁵³ National Coalition for the Homeless, "Homeless Youth" n. pag.

⁵⁴ National Coalition for the Homeless, "Homeless Youth" n. pag.

Because of their age, youths are not able to work; therefore, many feel that their only chance for survival is to exchange sex for food, clothing, and shelter. This situation causes them to be at a much greater risk of contracting AIDS or HIV-related illness.

Homeless youth are affected by many different problems and require related services. Homeless preschoolers may experience developmental delays in the areas of language, gross and fine motor skills, and personal/social development. School age children may attend school erratically and may have poor academic performance. Counseling services for the child and the family are needed to address these issues. For younger children not in school, childcare services are needed to allow the parent to search for and maintain employment.

A variety of housing needs exist for homeless youths including emergency shelter and transitional housing. Because of the extreme difficulty in finding foster homes to house adolescents, group homes and independent living programs are necessary for securing them a permanent housing situation. As with other homeless populations, assistance is also needed with finding affordable housing, utility deposits, and other start up costs (furniture, kitchen utensils, etc.). Other supportive services are needed, such as counseling, educational assistance, transportation assistance, medical and dental service, and job training.

(7) Persons Threatened with Homelessness

Persons threatened with homelessness include a variety of populations. For the purposes of Georgia's Consolidated Plan, the number of households with incomes below 30% of the median family income and who spend more than 50% of their income on housing is used as a proxy for the number of households threatened with homelessness. This proxy matches the statistics indicating that most households, immediately prior to becoming homeless, spend as much as 70% of their income on housing. Household estimates derived from 2000 Census numbers by the National Low Income Housing Coalition show that Georgia's population threatened with homelessness includes 335,736 households, or just over 11% of the state's total households.⁵⁵

Persons threatened with homelessness also include Georgia's population living with AIDS. At any point in time, the disease may limit the person's ability to work. As a result, the individual may not be able to maintain housing. Individuals involved in situations of domestic violence could also find themselves having to make the choice between permanent housing and escaping a violent situation.

Extremely low income households threatened with homelessness require a variety of supportive services to meet their respective needs, including rental/mortgage assistance; security deposit and utility assistance; financial management counseling; landlord-tenant counseling; day care; job counseling; substance abuse counseling; and medical services.

Homeless Prevention Activities

Annually, Georgia's State Housing Trust Fund for the Homeless makes funds available to local governments and nonprofit organizations through a Consolidated Supportive Housing Application. Funds may be used to coordinate activities or programs that strive to prevent the incidence of homelessness.

⁵⁵ National Low Income Housing Coalition, "Georgia Renter Households" n. pag.

In 2004, 29 organizations in Georgia provided one or more of the following homeless prevention services to homeless individuals and families:

- Short-term subsidies to defray rent and utility arrangements for families who received eviction or utility termination notices;
- Security deposits or first month's rent to homeless families so that they could move into their own apartment;
- Programs for landlord-tenant payments to prevent foreclosure on a home;
- Legal services to indigent tenants in the process of eviction proceedings;
- Payments to prevent foreclosure on a home; and
- Innovative programs and activities that are designed to prevent the incidence of homelessness.

The following organizations participated in the program in SFY2004:

- Action Ministries, Inc. – Atlanta, Gainesville, and Rome
- Albany Outreach Center, Inc. – Albany
- Area Christians Together in Service – Statesboro
- Carroll County Emergency Shelter, Inc. – Carrollton
- Clayton County Family Care, Inc. – Forest Park
- Cobb Family Resources, Inc. – Marietta
- Community Info Line for Coosa Valley, Inc. – Rome
- CSRA Economic Opportunity Authority, Inc. – Augusta
- Decatur Cooperative Ministry, Inc. – Decatur
- DeKalb Fulton Housing Counseling Center, Inc. – Atlanta
- Georgia Law Center on Homelessness and Poverty, Inc. – Atlanta
- Georgia Legal Services Program, Inc. – Augusta
- Gwinnett Housing Resource Partnership, Inc. – Duluth
- Jewish Family & Career Services, Inc. – Atlanta
- Lowndes Associated Ministries to People (LAMP), Inc. – Valdosta
- Martin Luther King Jr. Poor People's Church of Love, Inc. – Atlanta
- Metropolitan Columbus Task Force for the Homeless, Inc. – Columbus
- Midtown Assistance Center, Inc. – Atlanta
- Ministries United for Service and Training, Inc. – Marietta
- Mulberry Street United Methodist Church – Macon
- Rockdale County Emergency Relief Fund, Inc. – Conyers
- Salvation Army – Atlanta
- Salvation Army – Thomasville
- Saint Vincent de Paul Society, Inc. – Atlanta
- Shepherd's Rest Ministries, Inc. – Hiram
- South Georgia Coalition to End Homelessness – Valdosta
- Southwest Georgia Community Action Council, Inc. – Moultrie
- Sullivan Center, Inc. – Atlanta
- Travelers Aid of Metropolitan Atlanta, Inc. – Atlanta

(8) Georgia’s Homeless Population Summary Table

As stated earlier, no definitive enumeration exists of Georgia's homeless because of the dynamic nature of this population. While many homeless individuals utilize emergency shelters and transitional housing facilities, quantifying the extent of Georgia's entire homeless population who is either unsheltered or staying with family or friends is difficult at best. With this consideration, Part 1 of Table 22 estimates the number of homeless individuals utilizing emergency shelters and transitional housing facilities across the state.

These numbers are based on estimates and percentages defined in Georgia’s Continuum of Care Plan. Appendix J explains the methodology utilized to adapt these figures for the entire state as well as the source for estimates in Part II of Table 22. The state of Georgia recognizes that the estimates in this table do not adequately identify the extent of homelessness in Georgia.

Table 22: HUD Table 1 A - Georgia's Homeless and Special Needs Populations

Continuum of Care: Housing Gaps Analysis Chart

		Current Inventory in 2003	Under Development in 2003	Unmet Need/ Gap
Individuals				
Beds	Emergency Shelter	365(A)	0	172 ⁽¹⁾
	Transitional Housing	516(A)	0	1,727 ⁽²⁾
	Permanent Supportive Housing	276(A)	491(A)	483 ⁽³⁾
	Total	1157(A)	491(A)	2,382
Persons in Families With Children				
Beds	Emergency Shelter	578(A)	0	272 ⁽¹⁾
	Transitional Housing	676(A)	57(A)	2,206 ⁽²⁾
	Permanent Supportive Housing	509(A)	844(A)	1,410 ⁽⁴⁾
	Total	1763(A)	901(A)	3,888

Notes to Housing Gaps Analysis Chart:

- (1) 365 beds for individuals and 578 beds for families represent 68% of need.
- (2) 516 beds for individuals and 676 beds for families represent 23% of need.
- (3) Need of 698 beds + current inventory of 276, less 491 under development for individuals.
- (4) Need of 1745 beds + current inventory of 509, less 844 under development for families.

Continuum of Care: Homeless Population and Subpopulations Chart

<i>Part 1: Homeless Population</i>	<i>Sheltered</i>		<i>Unsheltered</i>	<i>Total</i>
	<i>Emergency</i>	<i>Transitional</i>		
1. Homeless Individuals	365(A)	516(A)	1,018(E)	1,899
2. Homeless Families with Children	231(A)	270(A)	25(E)	526
2a. Persons in Homeless Families with Children	578(A)	676(A)	62(E)	1,316
Total (lines 1 + 2a)	943(A)	1,192(A)	1,080(E)	3,215
<i>Part 2: Homeless Subpopulations</i>	<i>Sheltered</i>		<i>Unsheltered</i>	<u>Total</u>
1. Chronically Homeless	698(E)		2,185(E)	6,956
2. Seriously Mentally Ill	166(A)			
3. Chronic Substance Abuse	1310(A)			
4. Veterans	187(A)			
5. Persons with HIV/AIDS	62(A)			
6. Victims of Domestic Violence	291(A)			
7. Youth	21(A)			

E. OTHER POPULATIONS WITH SUPPORTIVE HOUSING NEEDS

(1) Georgia’s Elderly and Frail Elderly

Although there is much concern regarding the aging of the “baby boomer” generation and the impact this will have on social issues such as housing, Census 2000 indicates that Georgia has the third smallest percentage of this population over 65 of any state in the nation. In fact, the population aged 65 and older actually decreased from 10.1% in 1990 to 9.5% in 2000. Elderly and frail elderly are included in this percentage.

According to 24 CFR 891.205, the term *frail elderly* is defined as an elderly person who is unable to perform at least three activities of daily living (i.e. eating, bathing, grooming, dressing, and home management activities). The U.S. Census Bureau does not provide data for the numbers of frail elderly in Georgia according to this definition. However, the Census Bureau did identify 89,319 people in Georgia over age 65 as having a self-care disability (i.e. difficulty with dressing, bathing, or getting around inside the home).

The Georgia Department of Human Resources, Division of Aging Services notes that Georgia’s population aged 60 and older is expected to increase 81.6% between 1990 and 2010 and that Georgia’s population aged 85 and above is expected to increase 264.9%.⁵⁶

⁵⁶ Georgia Department of Human Resources, Division of Aging Services, *Just the Facts: SFY 2003* (Atlanta, GA: Author, 2003) 3.
Available online: <http://www2.state.ga.us/Departments/DHR/jtf2003complete.pdf>

Their research also indicates that Georgia has the sixth fastest growing 60+ population and the fastest growing 85+ population in the United States.

According to 2000 CHAS estimates, 80% of elderly households in Georgia own their home, although 52% of these homeowners have moderate incomes or lower. Those on fixed incomes may find it difficult to maintain existing housing units. For additional housing and income characteristics for Georgia's elderly households, please see Section III.B of this plan.

Elderly households are the most at risk of becoming moderately or severely impaired and in need of ongoing care. Both the well and frail elderly require a variety of housing and supportive services to facilitate their living conditions. Services such as transportation, home delivered meals, homemaker services, and health care treatment must be considered, in addition to other services such as home modifications.

HUD reports that, nationally, nearly 1.5 million older Americans live in housing that needs repair or rehabilitation.⁵⁷ In addition, approximately 1.1 million elders have unmet needs for home modifications that would improve accessibility. Across the country, HUD found a shortage of accessible housing in both owner-occupied and rental properties.

A study conducted by AARP in 2000 found that 89% of survey participants aged 55 and over expressed agreement that they would like to stay in their current residence as long as possible.⁵⁸ Climbing up and down stairs was the most commonly reported functional problem (35%). Most survey participants (86%) had made at least one simple modification to their home. However, when the participants were asked why they have not modified their home, or why they have not modified it as much as they would have liked, they most often responded that they were not able to do it themselves (37%) or they were not able to afford it (36%). More than half of the survey participants would like to receive information about staying in their own home as they get older.

The frail elderly have their own unique needs, such as in-home and adult day care services for assistance to remain in the community. These services limit the dependency and loss of dignity that frequently accompany illness and impairment. According to the Unlock the Waiting Lists Campaign, currently 9,236 frail, elderly people are waiting for home and community based services in Georgia.⁵⁹ In-home services may include a personal care aide to assist in daily activities, a respite care sitter to relieve the primary care taker, a homemaker service to clean and cook, and a home health service to assist in the individual's health care regime. Minimal in-home support prevents the need to institutionalize the elderly person, providing considerable cost savings to both the family and the taxpayer.

⁵⁷ U.S. Department of Housing and Urban Development, *Housing Our Elders* i-ii.

⁵⁸ Ada-Helen Bayer and Leon Harper, *Fixing to Stay: A National Survey on Housing and Home Modification Issues – Executive Summary* (Washington, DC: AARP, 2000) n. pag. Available online: http://research.aarp.org/il/home_mod_1.html

⁵⁹ Unlock the Waiting Lists, "What is Georgia's Unlock The Waiting Lists! Campaign?" (2004) n. pag. Available online: <http://www.gcdd.org/programs/unlock/index.htm>

(2) Georgians with Mental, Physical, and/or Developmental Disabilities

Introduction

Persons with disabilities are likely to possess a variety of specialized housing needs. Part of the need may stem from the nature of the disability itself while, in other instances, it may derive from the economic demands associated with the illness or disability. Consequently, this population is the most diverse of all groups examined for the plan.

According to 2000 Census data, Georgia has a slightly higher percentage of persons with disabilities for the population 5 years and older (19.7%) than the national average (19.3%). This indicates that 1,458,251 people in Georgia over the age of 5 have a sensory, physical, mental, or self-care disability. For the population 16 years of age and older, 557,637 people (9.2%) have difficulty going outside the home.

At least 668,633 people ages 16 to 64 (12.6%) have difficulty working at a job or business. Also according to the 2000 Census, there were 34,812 persons in nursing homes in Georgia.⁶⁰

The general supportive housing needs of Georgians with disabilities vary tremendously depending on the disability, but generally include home medical assistance, respite care, personal care assistance, vocational education, employment assistance, case management, crisis intervention, transportation assistance, residential services, and day treatment. According to the Unlock the Waiting Lists Campaign, currently 12,700 people with disabilities are waiting for home and community based services in Georgia.⁶¹ In addition, the Statewide Independent Living Council of Georgia notes that at least 313 applicants are waiting for home modifications while 1,085 are waiting for adaptive equipment.

State Activities to Address Disabilities

In June 1999, the United States Supreme Court ruled in *Olmstead vs. L.C. and E.W.* that it is a violation of the Americans with Disabilities Act for states to discriminate against people with disabilities by providing services in institutions when the individual could be served more appropriately in a community-based setting. Consequently, Georgia must strive to offer community-based services to people with disabilities, but only if deemed appropriate by treatment professionals. The individual receiving services must also agree to such placement. Approximately 14% of Georgia's nursing home population, or 4,900 persons, have expressed a desire to transition into the community.⁶²

The Georgia Governor's Office of Planning and Budget oversees Georgia's efforts to address *Olmstead*. Georgia's *Olmstead* Strategic Plan identifies several key service issues as it relates this population, one being affordable and accessible housing.

⁶⁰ Luiz Cavalcanti, et al, *Expanding Housing Opportunities for Institutionalized Persons with Disabilities* (Atlanta, GA: Georgia Institute of Technology City and Regional Planning Program, Apr. 2004) 7.

⁶¹ Unlock the Waiting Lists n. pag.

⁶² Luiz Cavalcanti, et al 7.

Georgia's Olmstead Strategic Plan states that affordable and accessible housing is essential to the transition of individuals from institutions to the community.⁶³ The plan also notes that Georgia does not have enough affordable housing. Thus, the major housing goal of the plan is to increase residential capacity and housing options for individuals with disabilities and older adults. In order to accomplish this goal, the state is called upon to promote change in housing policies, model more effective strategies for using governmental housing programs, develop partnerships among state agencies to develop and implement strategies to address the housing needs of these individuals, and encourage public/private/family partnerships to address the housing needs of these individuals.

Persons with Mental Illness

In 2001, the Substance Abuse and Mental Health Services Administration (SAMHSA) estimated that approximately 500,000 Georgians 18 years of age and older have serious mental illness (SMI).⁶⁴ SMI is defined as having a diagnosable mental, behavioral, or emotional disorder that met the fourth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) criteria and resulted in functional impairment that significantly interferes with or limits one or more major life activity. Georgia has one of the highest rates of SMI in the nation.

The Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) provides a variety of community-based treatment and support services for people with serious mental illness, such as schizophrenia, major depression, and bi-polar disorder. MHDDAD offers outpatient services, day programs, residential supports, crisis services, and community supports. Georgia's publicly funded mental health system served at least 143,515 persons (unduplicated count) in SFY2003 with a primary disability of mental illness.

Persons with mental illness require a range of different types of housing. For instance, some may require constant care and supervision while others may only need infrequent monitoring visits. Some may not need any type of supervision. Of particular concern are persons with mental illness who are at risk of becoming homeless or who are homeless. This concern is discussed further in Section III.D. Other supportive housing needs include transportation to outpatient services and day programs.

As noted earlier, persons with disabilities are more likely to be poor. In Georgia, one-bedroom units renting at the HUD Fair Market Rent cost more than 112.1% of monthly SSI income. Consequently, a lack of affordable housing may keep many persons with mental illness from accessing community residential placements.

⁶³ Georgia Department of Human Resources, *State of Georgia Olmstead Strategic Plan* (Atlanta, GA: Author, Mar. 2003) 16.

Available online: http://dhr.georgia.gov/00/article/0,2145,5696_0_16739455,00.html

⁶⁴ Douglas Wright, *State Estimates of Substance Use from the 2001 National Household Survey on Drug Abuse: Volume II. Individual State Tables and Technical Appendices*, DHHS Publication No. SMA 03-3826, NHSDA Series H-20 (Rockville, MD: Substance Abuse and Mental Health Services Administration, Office of Applied Studies, Sep. 2003) 24.

Available online: <http://www.samhsa.gov/oas/nhsda/2k1State/PDF/2k1SAEv1.pdf>

Persons with Physical Disabilities

In Census 2000, approximately 8.2% of all persons aged 5+ in Georgia (about 606,988 residents) were noted as having a physical disability (a condition that substantially limits a person from walking, climbing stairs, reaching, lifting, or carrying). The proportion of persons who possess a physical disability was substantially higher (34%) for persons 65 years and older than for those aged 16 to 64 (6%). In terms of raw numbers, however, more young persons were noted as having a physical disability (336,687) than older persons (256,057).

According to the Unlock the Waiting Lists Campaign, currently 249 people with severe physical disabilities and/or traumatic brain injuries are waiting for home and community based services in Georgia.⁶⁵

Persons with physical disabilities are likely to require a variety of specialized housing supports, including housing that offers accessibility features and suitable access to treatment facilities. This is often a problem for those living in rural areas.

Other housing needs include respite homes to provide care for those with profound disabilities when the primary caregiver requires time off; retrofitting of existing units to provide access; new construction of housing units with accessibility features; and housing facilities for those with disabilities that do not have age restrictions. Furthermore, mainstream housing choices should be available to those with disabilities. Since persons with disabilities are more likely to be poor, a high housing cost burden along with inadequate housing options may hamper these individuals from obtaining decent, accessible housing.

Persons with Developmental Disabilities

According to the Georgia Governor's Council on Developmental Disabilities, determining the number of Georgians with developmental disabilities is a difficult task. No state agency uses the federal definition of developmental disability in determining eligibility or keeping statistics.⁶⁶ However, in July 1999, the council estimated there were 140,188 citizens with developmental disabilities. By 2010, that number will increase to 165,788. According to the Unlock the Waiting Lists Campaign, currently 3,142 Georgians with mental retardation and/or developmental disabilities are waiting for home and community based services in Georgia.⁶⁷

The Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) offers a range of state-supported services for people with mental retardation and other developmental disabilities. Some of the most requested services include family support, supported employment, respite services, community residential programs, day supports, and crisis care. In SYF 2003, MHDDAD served at least 15,725 persons (unduplicated count) with a primary diagnosis of developmental disability.

⁶⁵ Unlock the Waiting Lists n. pag.

⁶⁶ Georgia Governor's Council on Development Disabilities, *Strategic Plan 2001-2005* (Atlanta, GA: Author, 15 Aug. 2000) 17. Available online: <http://www.gcdd.org/about/council/plan/5year/strategicplan.doc>

⁶⁷ Unlock the Waiting Lists n. pag.

Much emphasis is placed upon independent living for individuals with developmental disabilities, especially since the *Olmstead* decision. Proximity to health care, employment, and transportation is vital in order for these individuals to live independently. In addition, the Blue Ribbon Task Force on Home and Community-Based Services found that many individuals and family members in Georgia do not know how to access services and that personal support and family services are needed to keep individuals in the community.⁶⁸ The lack of transportation also continues to be a barrier to receiving services.

The Center for Housing Alternatives, Inc. in Atlanta has reported several residential and living service needs for Georgians with developmental disabilities. Those supportive housing needs, in sum, include activities such as the following:

- personal assistance (whether that be training, support, and/or supervision) with activities of daily living (such as bathing, dressing, toileting, and similar tasks);
- training and assistance in household care (such as meal preparation, housecleaning, shopping, and other similar tasks);
- in-home respite;
- out-of-home respite in a community setting or another family's home;
- group home respite; and
- service coordination.⁶⁹

(3) Georgians with Alcohol and/or Other Drug Addictions

In 2002, a total of 34,180 admissions were made to substance abuse treatment facilities in Georgia.⁷⁰ Males accounted for 63.5% of the total admissions, whereas females accounted for 36.5%. Whites were represented in 54.1% of the total admissions and Black/African Americans were represented in 33.6% of the total admissions. Hispanics only represented 0.3% of total admissions. From 2001 to 2002, the number of admissions made actually decreased by 2,763. However, the National Household Survey on Drug Abuse for 2000-2001 reported that Georgia has a large number of people in need of but not receiving treatment (approximately 113,000).⁷¹

⁶⁸ Georgia Governor's Council on Development Disabilities 22.

⁶⁹ The Center for Housing Alternatives, Inc., *Service Needs by Region: A Guide for Mental Retardation/Developmental Disabilities Service Providers* (Atlanta, GA: Georgia Department of Human Resources, 1998) n. pag.
Available online: <http://www.gcdd.org/pi/publications/region.htm>

⁷⁰ Substance Abuse and Mental Health Services Administration, "Substance Abuse Treatment Admissions by Primary Substance of Abuse," Georgia Table (2002) n. pag. Available online: <http://www.dasis.samhsa.gov/webt/quicklink/GA02.htm>

⁷¹ Douglas Wright, *State Estimates of Substance Use from the 2001 National Household Survey on Drug Abuse: Volume II. Individual State Tables and Technical Appendices* 24.

For the population aged 12 or older, it is estimated that approximately 128,000 are dependent upon or abuse illicit drugs. Approximately 310,000 are dependent upon or abuse alcohol. Georgia has one of the largest treatment gaps in the nation. In 2002, the number of persons needing substance abuse treatment in Georgia was estimated to be almost 730,000 adults and almost 400,000 adolescents (12 to 17 years old).⁷²

In SFY2003, the Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases reported serving 43,117 people (unduplicated count) for substance abuse problems. This division offers a range of state-supported services for people with addictive diseases. Some of these services include group counseling, detoxification, and short-term intensive residential programs.

Many people with addictive disorders have difficulty finding housing. Thus, an apparent relationship exists between chronic homelessness and substance abuse. The National Coalition for the Homeless notes “for those with below-living wage incomes...the onset or exacerbation of an addictive disorder may provide the catalyst to plunge them into residential instability. And for people who are addicted and homeless, the health condition may be prolonged...”⁷³ The National Coalition for the Homeless also claims that the destruction of single-room occupancy housing is a major factor in the growth of homelessness among substance abusers.

The transition to a healthier lifestyle is likely to be most successful when counseling, medical services, and other supportive services are provided in a residential environment, and access to those services is available for extended periods. Housing stability is vital for successful treatment of addictive disorders. Other housing needs include convalescent/transitional housing and residential programs that provide housing and services to families.

(4) Georgians with HIV/AIDS

Georgia has at least 12,683 people living with AIDS as of December 2002.⁷⁴ The total number of AIDS cases reported in Georgia by the end of March 2003 was 26,139.⁷⁵ The actual number of persons in Georgia testing positive for HIV is not possible to determine without a more standardized HIV surveillance system. Currently, Georgia does not require positive HIV tests to be reported. More information about Georgia’s population with HIV/AIDS can be found in Section III.F.

According to AID Atlanta, the need for medical, financial, emotional, and physical support increases as AIDS progresses. The disruption of employment during hospitalizations and the eventual incapacitation is financially devastating to the patient. Renters can be evicted from their apartments and owners can lose their homes due to their inability to pay housing bills.

⁷² Frederick A. Marsteller, *Georgia Substance Abuse Treatment Needs Assessment: Summary and Gap Analysis* [Stone Mountain, GA]: Behavioral Research Consulting, Inc., [2003?] ii. Available online: <http://www.gsu.edu/%7Ewwwgad/assessment.htm>

⁷³ National Coalition for the Homeless, “Addiction Disorders and Homelessness,” NCH Fact Sheet #6 (Apr. 1999) n. pag. Available online: <http://www.nationalhomeless.org/addict.html>

⁷⁴ Centers for Disease Control and Prevention 21.

⁷⁵ Georgia Department of Human Resources, “AIDS Update” 1.

The housing needs of persons living with HIV/AIDS include tenant-based rental assistance (short- and long-term), emergency assistance, and rental and utility deposit assistance. Emergency assistance for individuals with HIV/AIDS enables homeless or marginally housed clients who become homeless to access shelter at local hotels and motels. To illustrate, medical conditions such as tuberculosis and other opportunistic infections often prevent these individuals from entering many conventional shelters for the homeless. In addition, rental and utility deposit assistance allows low-income people with AIDS to pay deposits even for the most modest housing.

Many agencies throughout the state provide housing to people with HIV or AIDS. For example, the City of Atlanta has worked with 31 different projects targeted to provide supportive housing and/or supportive services to people with HIV/AIDS. One agency - AID Atlanta - consists of many different program components. The agency owns and operates two transitional housing facilities providing shelter for people living with HIV/AIDS. Residents of these facilities pay 30% of their monthly income as rent and remain in the facility for up to one year with the possibility of an extension. Other programs include a Long Term Rental Assistance program, which pays 70% of their rent up to \$500 each month for a period of one year; an Emergency Assistance Fund for those in need of financial assistance for rent/mortgage and utilities (not including phone or cable); a Vocational Rehabilitation Intake/Referral program; and a program providing public transportation tokens to clients that need transportation to and from the agency as well as to medical appointments.

Supportive services needed by people living with HIV/AIDS include mental health, substance abuse, and support group counseling; dental and medical referrals; home health nursing; rehabilitation services; nutritional services; access to medication; and home hospice care. Other supportive services needed by these individuals may include employment training; clothing and furniture referrals; food; personal assistance to locate affordable housing opportunities; housing counseling and referral; credit services; legal services; financial counseling; foster care and/or adoption services; and linkage to burial and funeral services.

According to the Georgia Department of Human Resources, a total of 7,235 people with HIV/AIDS received supportive services through the Ryan White Title I & II Program during 2003 – 2004. This number only includes the clients served by the 10 HOPWA project sponsors through the Georgia Department of Community Affairs. Estimates on the need for these services are not available. However, it is believed that the need is relatively high given the number of people living with HIV/AIDS in Georgia.

(5) Georgia's Migrant Farmworkers

Georgia is in the path of two migrant streams – the Eastern (which begins in Florida) and the Midwestern (which begins in Texas). Migrant workers are involved in the planting and harvesting of many crops including peaches, tomatoes, onions, melons, and apples.

Unfortunately, very little information is available that documents Georgia's migrant farmworker population. According to a 1995 study issued by the University of Georgia's Institute of Community and Area Development (ICAD), only 79 counties employ migrant and seasonal farmworkers.⁷⁶ The number of workers needed in the state ranges from 2,506 in February to a high of 53,166 in June. Labor requirements usually peak in June or July. The largest concentration of migrant farmworkers occurs in the counties of Brooks, Colquitt, Decatur, Grady, and Mitchell. ICAD estimates that at least 100,359 migrant and seasonal workers and their dependents are in the state at any one time. Most of these individuals are males and are from Mexico or other Latin American countries.

ICAD also projected that the population of migrant and seasonal workers and their dependents may increase up to 134,154 people by 1999. Unfortunately, additional studies have not been completed since 1995 that verifies or refutes this projection. The study concluded that farmers were concerned that housing shortages restricted labor recruitment. Farmers were also frustrated with the regulation of the housing they provided and with the difficulty in meeting requirements for government housing improvement programs.

According to the National Agricultural Workers Survey for 1997–1998, one-half of all individual farmworkers earned less than \$7,500 per year and one-half of all farmworker families earned less than \$10,000 per year.⁷⁷ At least 21% of all farmworkers nationwide received free housing from their employers, while 7% rented from their employers and 47% rented from someone other than their employer. Eighteen percent of farmworkers were found to be homeowners. Most migrant workers, however, must find housing between jobs or be temporarily homeless.

According to the Housing Assistance Council, almost one-third of farmworkers surveyed during a national study in 1997-2000 were found to be cost-burdened.⁷⁸ Fifty-two percent (52%) of units surveyed were overcrowded, whereas 17% of units were found to be severely substandard and an additional 16% were found to be moderately substandard. "Units with all three problems – substandard conditions, crowding, and cost burden – comprised 19 percent of all substandard units and 6 percent of all units surveyed."⁷⁹

Another housing problem, unique to farm workers, is exposure to pesticides. Twenty-six percent (26%) of surveyed housing units adjoined fields where pesticides were sprayed.

⁷⁶ Rebecca Winders, et al, *Migrant and Seasonal Farm Workers in Georgia: Estimates of the Migrant Health Program Target Population* (Athens, GA: The University of Georgia Institute of Community and Area Development, Oct. 1995) 4.

⁷⁷ Kala Mehta, et al, *Findings from the National Agricultural Workers Survey (NAWS) 1997-1998: A Demographic and Employment Profile of United States Farmworkers*, Research Report No. 8 (Washington, DC: U.S. Department of Labor, Office of Program Economics, Mar. 2000) 39. Available online: http://www.dol.gov/asp/programs/agworker/report_8.pdf

⁷⁸ Housing Assistance Council, "Migrant and Seasonal Farmworker Housing," Information Sheet (Sep. 2003) n. pag. Available online: <http://www.ruralhome.org/pubs/infoshts/Farmworkers.pdf>

⁷⁹ Housing Assistance Council n. pag.

In sum, decent, safe, and sanitary short-term housing is needed for single-persons, especially males. Multifamily units are necessary for farm workers who have families or who have settled. In addition to housing, this population needs supportive services such as education, legal services, health care, job training, and child care.

(6) Georgia's Public Housing Residents

As of February 2004, at least 87,540 households received assistance from a total of 192 public housing authorities across the state. Of these households, 42,415 utilized public housing units, 44,122 benefited from Housing Choice Vouchers, and 1,003 benefited from modification/rehabilitation assistance. Many public housing authorities have taken steps to encourage residents to assume a more active role in their neighborhoods. Other authorities are focusing on the renovation and modernization of their units to better serve the public. For instance, several public housing authorities in Georgia have been awarded HOPE VI Revitalization and Demolition grants in the effort to improve severely distressed units.

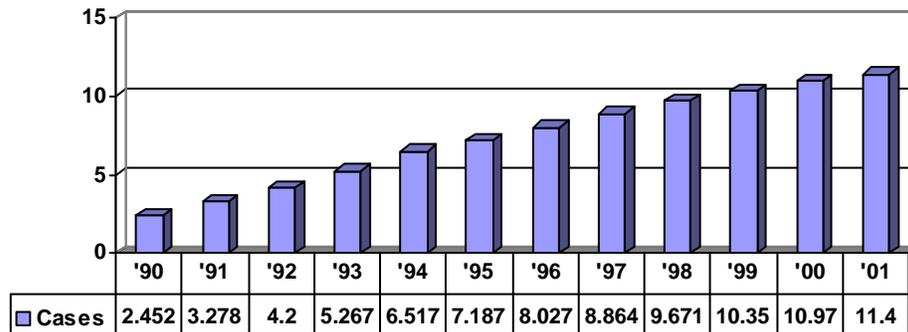
F. GEORGIA'S POPULATION WITH HIV/AIDS

As noted above, Georgia has at least 12,683 people living with AIDS as of December 2002.⁸⁰ Currently, 40 states and the District of Columbia offer anonymous and confidential testing while 10 states offer confidential testing only. In Georgia, anonymous and confidential testing is available and often occurs more than once. A person infected with HIV can usually remain healthy for up to ten years before developing AIDS. People living with AIDS experience bouts of acute illness, interspersed with periods of relatively good health. These individuals progressively get weaker after each episode of severe sickness. These episodes usually necessitate hospitalization.

The number of persons living with AIDS in Georgia has increased every year since 1981, especially since 1990 (see Figure 18). However, the number of AIDS-related deaths has declined dramatically in recent years as a result of advances in HIV treatment (see Figure 19). The number of persons with AIDS who passed away in 2001 was 458 compared to 1,189 in 1996 and 1,497 in 1995. This trend is attributed to improved antiretroviral medications that delay progression of the disease.

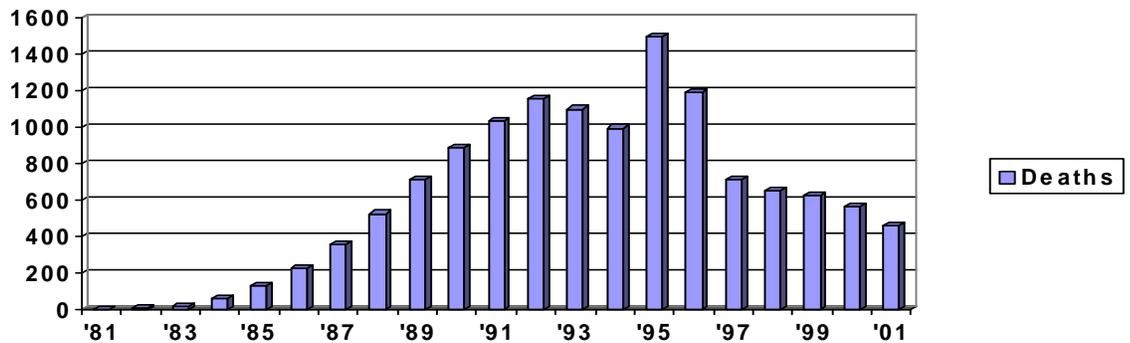
⁸⁰ Centers for Disease Control and Prevention 21.

Figure 18: Persons Living with AIDS by Year in Georgia, 1990 – 2001
Number of Cases (Thousands)



Source: Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*

Figure 19: AIDS Case Fatality Rates by Year of Diagnosis in Georgia, 1981 - 2001

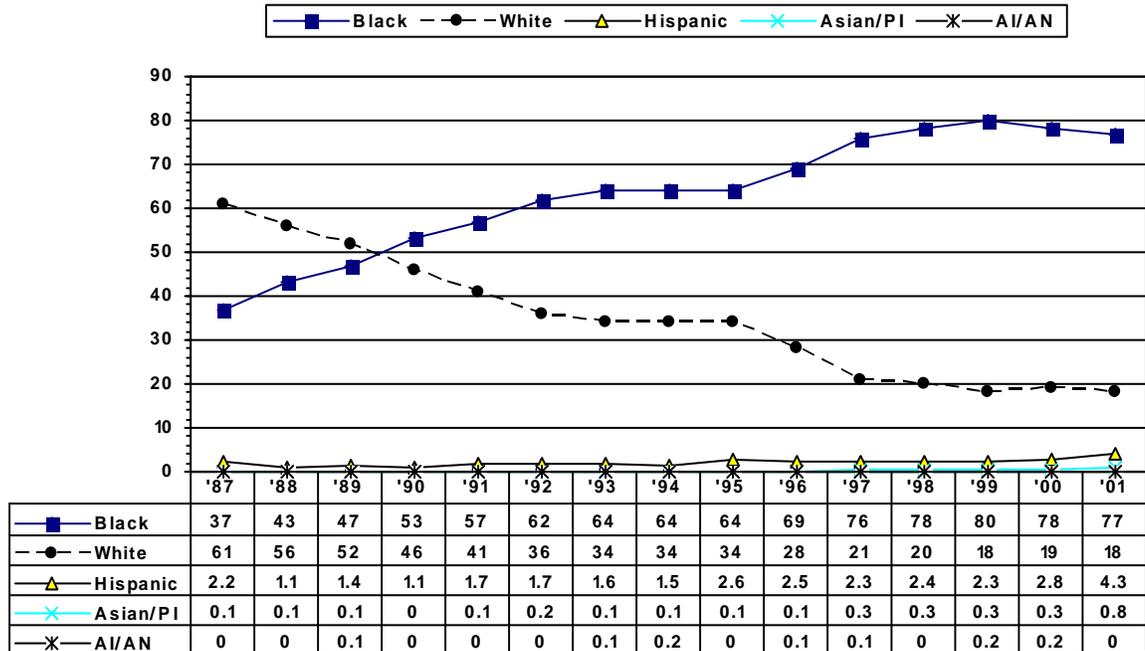


Source: Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*

As illustrated in Figure 20 below, during the fourteen year period between 1987 and 2001, the number of reported AIDS cases among racial and ethnic groups has varied greatly. Groups other than non-Hispanic blacks and whites have held a relatively steady share of all reported cases. Although AIDS cases among the Hispanic population are relatively low compared to blacks and whites, the number and proportion have been increasing in recent years. The number of cases almost doubled from 2000 to 2001, comprising 4.3% of all cases reported in 2001.

AIDS cases in the non-Hispanic white population have been decreasing from a high of 61% in 1987 and increasing in the non-Hispanic black population from a low of 37% in 1987. These trends have continued throughout the 1990s. In 2001, the non-Hispanic white population had 18% of reported AIDS cases in Georgia, while the case rate for the non-Hispanic black population declined 1% from the previous year to 77%.

Figure 20: Percent of all AIDS Cases by Race/Ethnicity and Year of Diagnosis in Georgia, 1987 - 2001

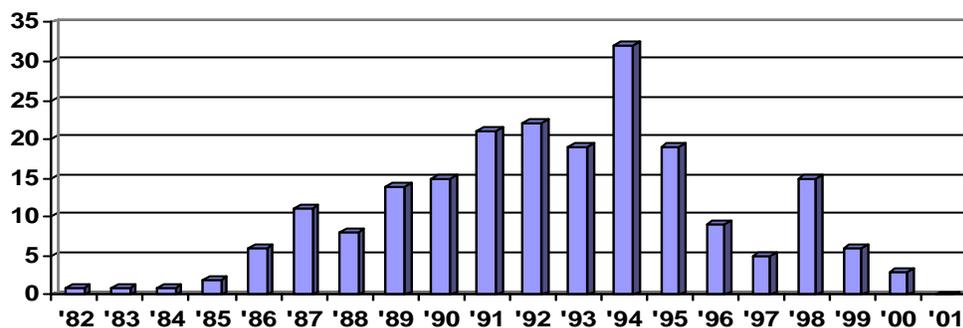


Source: Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*

Pediatric AIDS cases in Georgia, which includes children under the age of 13, have generally decreased since 1994 (see Figure 21). In 2000, the number of pediatric AIDS cases accounted for only 0.3% of all reported cases and zero percent (0%) in 2001. The highest number of pediatric AIDS cases so far occurred in 1994 and accounted for .5% of all reported cases in Georgia. The decrease in cases since 1994 is most likely due to the availability of newer antiretroviral medications for infected pregnant women that prevent transmission during pregnancy. According to the Georgia Department of Human Resources, nearly 95% of all pediatric AIDS cases occurred in children whose mothers had HIV or were at risk for HIV infection.⁸¹ Of this number, it was reported that 79% of these cases occurred in black children.

⁸¹ Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* (Atlanta, GA: Author, Jul. 2002) 11. Available online: http://health.state.ga.us/pdfs/epi/hiv_aidsprofile.02.pdf

Figure 21: Pediatric AIDS Cases by Year of Report in Georgia, 1982 - 2001



Source: Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*

According to the Georgia Department of Human Resources, men who have sex with men (MSM) represent the highest number of reported AIDS cases in the state.⁸² However, the proportion of cases for this group has decreased through the years, while the proportions among persons with heterosexual contact have increased. Consequently, interpreting risk behavior trends is now more difficult.⁸³ From 1981 to 2001, the cumulative percentage of adolescent/adult AIDS cases by mode of HIV transmission for MSM totaled 54% of all adult and adolescent cases. Intravenous drugs users also continue to be a factor, accounting for 24% of Georgia's adult and adolescent AIDS cases in 2001. Fortunately, continued educational efforts, especially within the gay community, have decreased the spread of AIDS. However, the number of cases continues to rise among women, minorities, and heterosexuals in small cities and rural areas.

Although the number of AIDS cases reported in Georgia for females has recently decreased, the proportion of AIDS cases in females has steadily increased since the early 1980s. The *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* notes that the number of cases for females reached an all time high in 1996 with 417.⁸⁴ In 2001, females accounted for 27% of all cases reported in Georgia. These numbers represent a staggering increase from 1983, when only two cases of AIDS were reported in females.

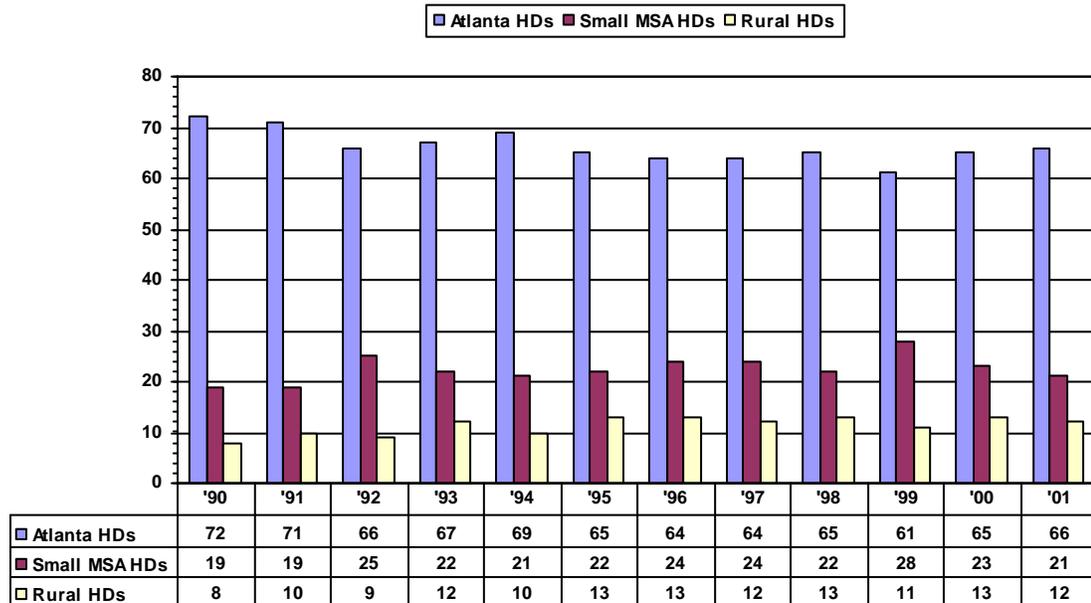
As shown in Figure 22, Georgia's metropolitan areas continue to rank higher in the rate of reported AIDS cases than rural areas. The greatest majority of cases are reported from the Fulton County Health District. This area accounts for 44% of the 20,597 cases reported from 1990 to 2001. DeKalb County rated second with 14% of the reported cases.

⁸² Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* 4.

⁸³ Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* 15.

⁸⁴ Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* 13.

Figure 22: Percent of All Georgia AIDS Cases by Public Health District (HD) Groupings, 1990 – 2001



Source: Georgia Department of Human Resources, *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*

Note: The eight-county Metro Atlanta area includes the Marietta, Fulton, Clayton, Gwinnett, and DeKalb districts. Districts that include a small metropolitan statistical area (MSA) are Albany, Athens, Augusta, Columbus, Macon, and Savannah.

G. GEORGIA’S LEAD-BASED PAINT HAZARDS

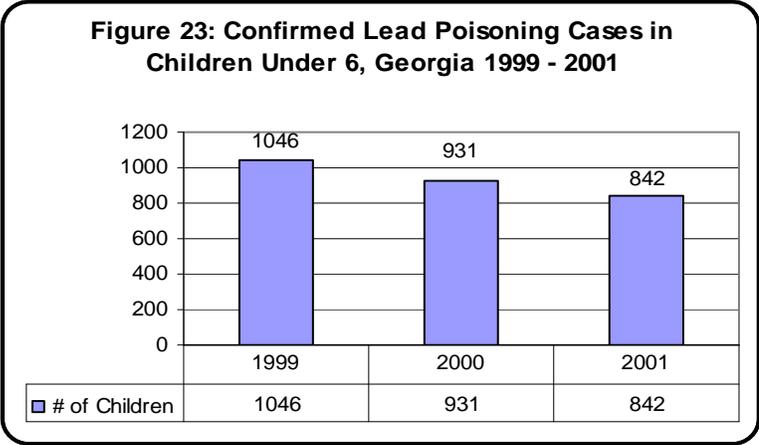
Lead has virtually been eliminated from gasoline, food cans, and post-1978 residential paint in the last two decades. This has contributed to reductions in blood lead levels among children and adults in the nation’s population. However, pre-1978 deteriorating lead-based paint, lead-based paint in homes undergoing renovation or repair, lead-contaminated dusts and soils, and lead taken home by parents from a lead-related industry remain important sources of childhood lead exposure.

The Centers for Disease Control and Prevention (CDC) states that lead-based paint is the most common environmental health hazard to young children.⁸⁵ When lead enters the bloodstream of a child, this poison can cause serious physiological damage. High levels of lead poisoning may result in severe mental retardation, kidney impairment, and reproductive damage. Low levels of exposure can result in learning and reading disabilities.

⁸⁵ David E. Jacobs, et al, *Guidelines for the Evaluation of and Control of Lead-Based Paint Hazards in Housing* (Washington, DC: U.S. Department of Housing and Urban Development, June 1995) 1-5. Available online: <http://www.hud.gov/offices/lead/guidelines/hudguidelines/Ch01.pdf>

Laboratories and healthcare providers are required to notify the Georgia Lead Poisoning Prevention Program (GLPPP) of all persons, regardless of age, with a blood lead level greater than or equal to 10 ug/dL. However, the GLPPP encourages that all blood lead results be reported to the program. The CDC has established an intervention level of 10 ug/dL of whole blood, a point at which adverse health effects have been documented.

From 1999 to 2001, at least 2,819 children ages 6 and under have been identified with elevated blood lead levels (counties with less than 5 cases of elevated blood lead levels were not reflected in this number – see Figure 23).



Source: Georgia Department of Human Resources

Fulton County had the highest number of cases of lead poisoning in children during this time period (535), whereas Chatham and Appling had the next highest number of cases (357 and 315, respectively). The number of lead poisoning cases has declined every year since 1999. However, according to consultation with the GLPPP, it is believed that the actual number of lead poisoning cases is actually higher than those reported. A lack of testing is believed to be one major reason for this discrepancy.

It was once commonly believed that the most common exposure to lead-based paint resulted from the chipping or peeling of improperly maintained painted surfaces or from chewing on a window sill or door frame covered with lead-based paint. However, lead dust is now considered an equally common and dangerous source of exposure in children. Friction surfaces (doors, windows, and stair treads) covered with lead-based paint generate lead dust. This dust can coat a child’s fingers and toys and subsequently be ingested by the child.

However, the mere presence of lead-based paint does not mean that lead poisoning will occur. The condition of the painted surfaces, their location, and the maintenance practices of the household all determine whether the lead-based paint presents an immediate threat. If surfaces covered with lead-based paint are not defective (chipping or peeling), are out of reach of children (over five feet from the floor), and are well maintained (been consistently washed with high-phosphate detergent and periodically vacuumed with a high-efficiency particulate air system), the lead-based paint does not constitute a hazard or an immediate threat to the health of the occupants.

Many residential properties built before 1979 contain lead-based paint. Unfortunately, it is difficult to measure the exact number of housing units with lead-based paint hazards for many reasons. First, the manufacturing and sale of lead-based paint was slowly reduced in the United States over a long period of time until it ended in 1979. Second, no house-to-house paint inspection has ever occurred.

Fortunately, it is possible to estimate the number of units with lead-based paint based on the age of the housing stock. In 1990, HUD estimated that 90% of privately owned units built before 1940, 80% of units built between 1940 and 1959, and 62% of units built between 1960 and 1979 contain some lead-based paint.⁸⁶ By using these percentages when assessing the situation in Georgia, at least 35% of Georgia’s housing units are estimated to be contaminated with lead-based paint (see Table 23).

Table 23: Estimated Total Housing Units in Georgia with Lead-Based Paint

Year House Built	Total Units	Estimated Number of Units with Lead-Based Paint
Pre-1940	192,972	173,675
1940 - 1959	427,488	341,990
1960 - 1979	1,024,973	635,483
TOTAL	1,645,433	1,151,148

Source: U.S. Census Bureau, *Census 2000*

The following list identifies the twelve counties targeted as “high-risk” for lead poisoning hazards by the Georgia Lead Poisoning Prevention Program. These counties were selected based on the age of the housing stock and the numbers of children with elevated blood lead levels residing there.

- Bibb
- Chatham
- Cobb
- DeKalb
- Fulton
- Glynn
- Gwinnett
- Hall
- Richmond
- Sumter
- Thomas
- Troup

Low-income households that earn between 0 and 50% of MFI are least able to afford well-maintained housing and therefore are often at greater risk of lead poisoning. Using 2000 Census data for the number of housing units by tenure and year built, along with 2000 CHAS data for the distribution of housing units by age, tenure, and income group, the state found that almost 303,391 housing units occupied by low-income households are believed to have lead-based paint hazards. This problem almost equally impacts owners and renters with low and moderate incomes. Forty-five (45%) of these units are occupied by low-income owners. The remaining 55% are occupied by renters.

⁸⁶ David E. Jacobs 3-7.

Section IV: Housing Market Analysis

A. GENERAL CHARACTERISTICS

Georgia's housing market, in terms of home sales and homeownership, has been strong for the last several years. However, in late 2003, the FDIC noted that the growth in home sales and home price appreciation has declined in recent quarters.⁸⁷

(1) Demographic Trends in the 1990s and 2000s

During the 1990s, Georgia experienced tremendous population growth. The 2000 U.S. Census data revealed that Georgia had 8.1 million residents – an increase of more than 1.7 million since 1990. Between 1990 and 2000, Georgia was the sixth fastest growing state on a percentage basis, and the fourth fastest growing in numbers of residents. Migration from other states and countries along with natural increase has primarily driven this growth. In the period from 1990 to 2000, a total of 151 of Georgia's 159 counties experienced population growth. That figure is greater than the 116 Georgia counties that had increases in population during the period of 1980 to 1990. In fact, five Georgia counties were listed in the top ten fastest growing counties in the United States in 2003 - Chattahoochee, Forsyth, Henry, Newton and Paulding.

From 1990 to 2000, Georgia's population increased approximately 26%. Most of that growth was experienced in the Metro Atlanta area and in the North Georgia region. Several counties in Middle and South Georgia did not experience population growth during this time. The Georgia Office of Planning and Budget has projected the state's 2010 population at 9.5 million. As of July 2003, Georgia was the ninth most populous state in the nation with 8,684,715 people.

The number of households in Georgia expanded by an average of 63,975 per year from 1990 to 2000, for a total of over three million households. The average household size in 2000, statewide, was 2.65 persons. According to HUD, the annual median family income (MFI) for the state in 2004 was \$57,200.

(2) Overview of Georgia's Housing Supply

Continued population growth, combined with increasingly smaller household sizes and record low mortgage rates, has spurred tremendous growth in the housing market for Georgia as well as for the nation. As shown in Table 24, the number of occupied housing units increased approximately 27% from 1990 to 2000, higher than the 24% increase in total housing units for the state. In fact, the increase in the number of Georgia's housing units did not keep pace with the increase in Georgia's population (24% to 26%, respectively).

⁸⁷ FDIC, Division of Insurance and Research, *State Profile: Georgia* (Washington, DC: Author, Summer 2004) 1.

Available online: <http://www.fdic.gov/bank/analytical/stateprofile/Atlanta/Ga/GA.pdf>

Furthermore, the population increase played a major factor in the growth of owner-occupied housing units when compared to renter-occupied units. This trend is also reflected in the change in percentage of total units for each tenure category.

Table 24: Changes in Georgia’s Housing Units from 1990 to 2000

Category	1990 Number	2000 Number	Percentage Change 1990 – 2000
Total Housing Units	2,638,418	3,281,737	24%
Occupancy			
Total Occupied Housing Units	2,366,615	3,006,369	
Percent	90%	92%	27%
Total Vacant Housing Units	271,803	275,368	
Percent	10%	8%	1%
Tenure			
Owner-Occupied Housing Units	1,536,759	2,029,154	
Percent	65%	67%	32%
Renter-Occupied Housing Units	829,856	977,215	
Percent	35%	33%	18%

Source: U.S. Census Bureau, *Census 2000*

In 2000, Georgia’s housing stock consisted of 67% single-family houses, 7% two- to four-unit houses, 14% multifamily units, and 12% mobile homes. From 2000 to 2002, the housing unit inventory increased by an estimated 6.3%, or 205,335 units, to 3,487,088. During this same time period, Georgia ranked fourth in the nation as having the greatest percentage of housing unit change. Much of this development activity was concentrated in or near Atlanta. In fact, in 2002 and 2003, Atlanta had the highest number of building permits issued out of all MSAs in the United States. Statewide in 2002, building permits were issued for 97,385 units. However, building permits in 2003 declined to 94,773. The majority of these permits were issued for single-family units.

Table 25 below illustrates the type of housing units occupied by households with one or more housing needs in Georgia. It is interesting to note that the majority of households with housing needs are owners living in single unit detached houses (81.7%). Renters of single unit detached houses make up the next largest group of households with housing needs (27.9%).

Table 25: Type of Housing Units Occupied by Households with One or More Housing Needs in Georgia, 2000

Unit Type	Tenure			
	Owner		Renter	
	Number	Percent	Number	Percent
Single unit detached	307,184	81.7%	109,234	27.9%
Single unit attached	10,046	2.7%	14,552	3.7%
Duplex	1,247	0.3%	27,480	7.0%
3 or 4 units	1,542	0.4%	44,581	11.4%
5 to 9 units	1,353	0.4%	61,954	15.9%
10 to 19 units	671	0.2%	46,920	12.0%
20 to 49 units	431	0.1%	21,679	5.5%
50 or more	836	0.2%	33,947	8.7%
Manufactured home	52,523	14.0%	30,366	7.8%
Boat, RV, van, etc.	56	---	153	---
Total	375,889	100.0%	390,836	100.0%

Source: Data compiled by Larry Keating in *A Preliminary Analysis of Housing Needs and of the Socioeconomic Characteristics of Households with Housing Needs in Georgia*, March 2004.

(3) Condition of Georgia's Housing Supply

The 2000 U.S. Census contains five factors that describe the condition of the housing stock. They include: presence of kitchen and plumbing facilities, heating source, overcrowding, and age of the housing unit. These factors, however, have obvious limitations: no information is provided on the actual structural conditions of the housing units. Fortunately, these statistics do provide some measure of housing conditions. The following summarizes the findings for housing conditions in each of the four categories reported in the 2000 Census.

Kitchen Facilities – More than 99% of Georgia's housing units had kitchen facilities. Only 0.5% (15,161) lacked complete kitchen facilities.

Plumbing Facilities – Almost all housing units had plumbing facilities. A total of 17,117 units, approximately 0.6%, lacked complete plumbing facilities.

Heating Source – The majority of Georgia's houses were heated by utility gas (49%). Thirty-eight percent (38%) utilized electricity as the source of heating; 11% used bottled, tank, or LP gas; and the remaining 2% used another fuel or no fuel at all.

Overcrowding – Conditions of overcrowding, defined as more than one person per room, affected 4.8% of all occupied housing units in Georgia. Renters were more likely to live in overcrowded units than owners (9.8% and 2.4%, respectively). Hispanics were more likely to live in overcrowded housing than all other racial/ethnic groups.

Age of Housing Stock - Twenty-eight percent (28%) of Georgia's housing units were 10 years old or less in 2000, 22% were between 11 and 20 years old, 31% were between 21 and 40 years old, and 19% were at least 40 years old.

(4) Georgia's Housing Costs

A common measure of housing affordability includes the relationship of housing costs to income. A household spending more than 30% of its income on housing is said to be cost burdened. Attempts to characterize housing affordability solely in terms of comparing income to housing costs, however, somewhat diminishes the importance of demographic and economic conditions that also influence affordability. Unfortunately, the influence of demographic and economic factors upon housing affordability is difficult to measure. Consequently, this discussion of affordability focuses exclusively upon the relationship of housing costs to income.

From 1990 to 2000, housing costs increased 47% for renters (see Table 26), while the median income increased 46.2% from \$29,021 in 1989 to \$42,433 in 1999. According to the 2000 Census, the median contract rent was \$505. Median contract rent indicates the monthly rent agreed to regardless of furnishings, utilities, fees, meals, or services that may be included. With a 47% increase in rents since 1990, lower-income households are having an increasingly difficult time finding affordable housing. According to the National Low Income Housing Coalition (NLIHC), an extremely low-income household can afford monthly rent of no more than \$433 – only 85% of the state's median rent.⁸⁸ In 2004, HUD's fair market rent for a two-bedroom unit was proposed to be \$728 – only 59% of the state's median rent. A minimum wage earner, earning \$5.15 per hour, can afford monthly rent of no more than \$268 without becoming cost burdened. A minimum wage earner would have to work 109 hours per week to afford a two-bedroom unit at the fair market rent. Forty-four percent of renters in Georgia (429,975 households) are unable to afford the fair market rent for a two-bedroom unit.

Table 26: Housing Costs in Georgia

Category	1990 Number	2000 Number	Percentage Change 1990 – 2000
Housing Costs			
Median Contract Rent	\$344	\$505	47%
Median Home Value	\$71,300	\$111,200	56%

Source: U.S. Census Bureau, *Census 2000*

Homeownership rates in Georgia grew between 1990 and 2000 even though the median home value increased by 56% during that time. In 2000, the median home value in Georgia was \$111,200 (see Table 26). The average sales price of a home in Georgia in 2000 was \$162,954. By 2002, the average sales price was \$176,868. See Appendix G for additional average sales price data.

Considering that the HUD-estimated median income for Georgia households in 2000 was \$50,600 annually, a household earning 80% of the median income (\$40,480) or below would not be able to afford a home at the 2000 average sales price. This scenario also holds true when using 2002 median income and purchase price averages.

⁸⁸ National Low Income Housing Coalition, *Out of Reach 2003: America's Housing Wage Climbs* (Washington, DC: Author, Sep. 2003) n. pag. Available online: <http://www.nlihc.org/oor2003/>

Consider the following example: according to the mortgage affordability calculator located at <http://www.bankrate.com>, a household earning 80% of the median income would not be able to afford a home valued at more than \$151,323 (assuming a 6% interest rate, monthly debt payments of 10% of monthly income, and a \$5,000 down payment). Given these variables, it appears that many low- and moderate-income households in Georgia (40% of all households – see Figure 1) could not afford the average sales price of a home in Georgia.

Transportation expenses also impact the affordability of a housing unit for many households. For low- and moderate-income households, the quest to find an affordable housing unit may lead them far from available jobs, further increasing the cost of transportation. Simultaneously, the increase in transportation costs effectively reduces the amount of income available for housing costs. Renters facing this dilemma may not have enough money to cover other costs of living. Homeowners may not be able to maintain their homes adequately. Ultimately, high transportation costs can restrict a household from venturing into homeownership and from building wealth.

According to the U.S. Department of Labor, transportation is second only to housing in terms of having the highest annual expenditure. The typical household spends 19% of its income on transportation related expenses and almost 33% on housing.⁸⁹ Combined, these expenditures consume a little over half of a typical household's income. For low- and moderate-income households, these expenditures can be even more draining. The Atlanta Neighborhood Development Partnership, Inc. described the problem further: "When the cost of housing is combined with the cost of the transportation, the average family earning less than \$40,000 a year [is] paying nearly two-thirds of their income on just these two items."⁹⁰ The Surface Transportation Policy Project expressed this situation in a similar manner: "The poorest 20% of American households, those earning less than \$13,908 (after taxes) per year, spend 40.2% of their take home pay on transportation."⁹¹

(5) Georgia's Housing Demand

Many variables influence the demand for housing units. As noted above, emerging demographic trends, the incidence of overcrowding, and housing costs all influence this demand. The tremendous growth in Georgia's population especially translates into strong demand for new housing units (see Table 27). According to the Georgia Office of Planning and Budget, an estimated 1,388,779 new households are projected to live in Georgia by 2010. Based on this projection, the total increase in demand for housing is anticipated to be just over 525,006 new units from 2000 to 2010. Housing demand for low- and moderate-income households is estimated to make up 72% of these new units, or approximately 379,103 new housing units.

⁸⁹ U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Expenditures in 2002* (Washington, DC: Author, Feb. 2004) 4. Available online: <http://www.bls.gov/cex/csxann02.pdf>

⁹⁰ Atlanta Neighborhood Development Partnership, Inc., *Making the Case for Mixed Income and Mixed Use Communities: An Executive Summary* (Atlanta, GA: Author, [Jun. 2004]) 15.

⁹¹ Surface Transportation Policy Project, *Transportation Costs and the American Dream* (Washington, DC: Author, Jul. 2003) 2. Available online: http://www.transact.org/library/decoder/american_dream.pdf

Table 27: Anticipated Housing Demand in Georgia

Category	2000 Number	2010 Projection
Number of Households	7,952,631	9,341,410
Occupied Housing Units	3,006,369	3,531,375
Owner	2,029,154	2,383,508
Renter	977,215	1,147,867
Affordable Units	2,170,878	2,549,981
Owner	1,285,971	1,510,542
Renter	884,907	1,039,440

Sources: Georgia Department of Planning and Budget; U.S. Census Bureau, *Census 2000*; and HUD, *CHAS Data Book* (issued 2003)

B. REGIONAL VARIATIONS IN HOUSING MARKET CONDITIONS

Housing market conditions vary between regions within the state due to differences in population growth, employment growth, and personal income. Table 28 portrays the regional differences in these factors through data compiled by the Georgia Department of Community Affairs (please see the following page for a map of Georgia's Service Delivery Regions).

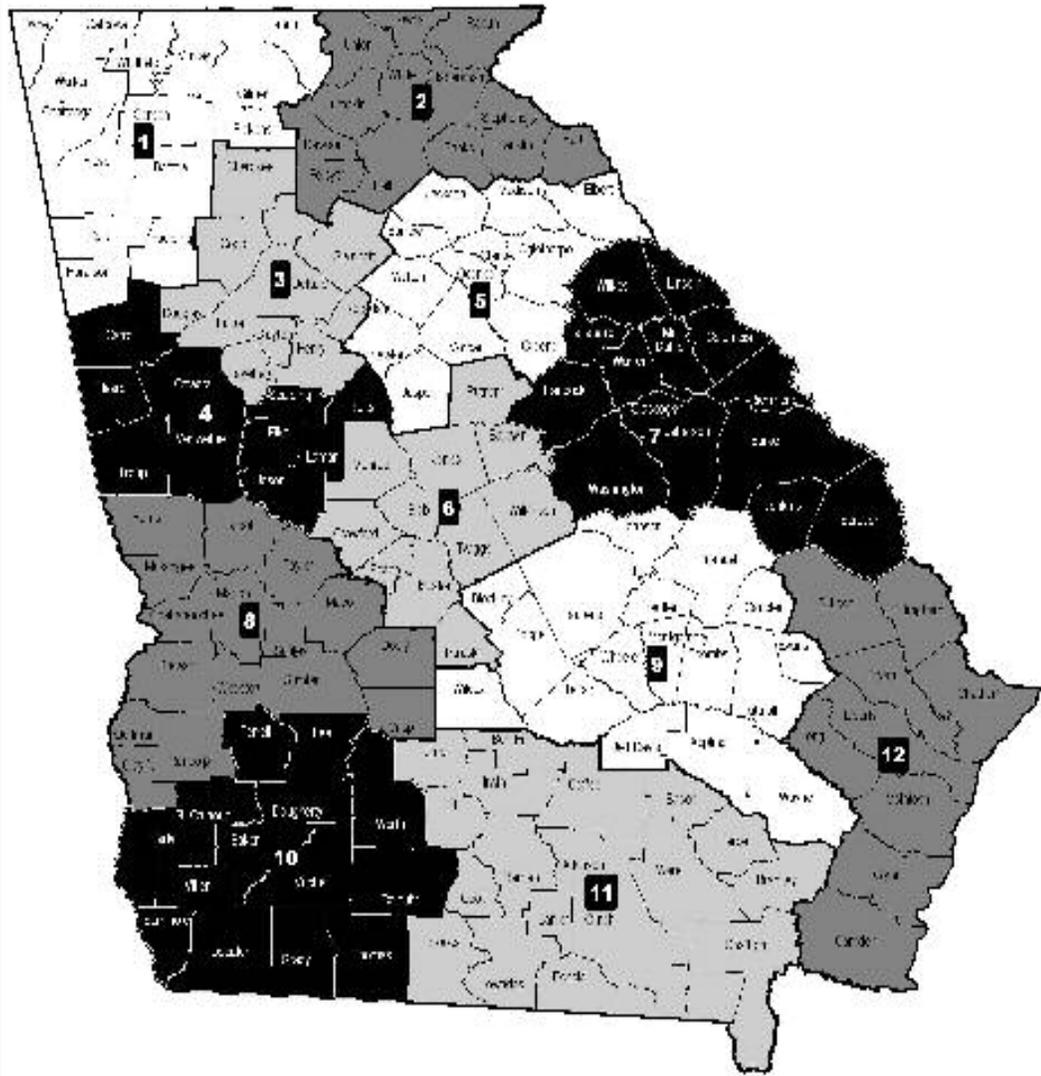
Table 28: Regional Growth Rates

Region	Population Growth Rate (1990 to 2000)	Employment Growth Rate (1997 to 2001)	Per Capita Personal Income (1999)
Region 1	27.2%	7.1%	\$20,178
Region 2	49.5%	12.1%	\$22,379
Region 3	36.4%	9.9%	\$29,381
Region 4	22.0%	7.5%	\$20,608
Region 5	33.5%	7.0%	\$21,211
Region 6	13.1%	-2.2%	\$20,777
Region 7	10.9%	0.0%	\$18,930
Region 8	6.4%	0.0%	\$19,165
Region 9	13.0%	-2.0%	\$17,916
Region 10	10.1%	-2.1%	\$19,504
Region 11	15.7%	-0.3%	\$18,581
Region 12	17.7%	3.9%	\$19,817
Georgia	26.4%	6.4%	\$26,499

Sources: U.S. Census Bureau, *Census 2000* (population growth and per capita income); Georgia Department of Labor (employment growth)

Region 2, which borders North Carolina and South Carolina, led the state in population growth and employment growth during this time period. Region 3, which surrounds Atlanta, accounted for the second largest increase in population growth and employment growth. The slowest growth rate regions were Region 8 (Population) and Region 6 (Employment). Region 9 had the lowest per capita personal income in 1999.

State Service Delivery Regions



Source: Georgia Department of Community Affairs.



The housing markets in these areas tend to be significantly affected by these trends. Private housing developers in the state's slow growth regions may experience difficulties or lack the necessary financial incentive to construct housing units using only conventional financing. Thus, in order to provide needed affordable housing, public incentives may be needed to financially strengthen projects.

In Georgia's growth regions, continued public financial assistance may be necessary to help maintain affordable housing for low- and moderate-income households who may not benefit from the expected growth in personal income. Incentives may range from housing vouchers for low-income tenants to financial subsidies paid directly to developers to construct affordable housing.

(1) Regional Variations in Georgia's Housing Supply

A review of regional variations in Georgia's housing supply is useful in determining the factors that influence Georgia's housing market. As shown in Table 29 below, single family units were the most prevalent housing type statewide in 2000 with a 67.2% share of the housing market.

Table 29: Percent of Housing Units by Type by Region, 2000

Region	Number of Housing Units	Single Family	2 to 4 Units	5 or More Units	Mobile Homes
Region 1	279,900	72.7%	5.4%	4.5%	17.4%
Region 2	190,678	74.4%	3.3%	3.5%	18.7%
Region 3	1,330,752	67.0%	6.8%	24.1%	2.1%
Region 4	157,854	73.8%	6.3%	5.5%	14.4%
Region 5	173,099	67.7%	7.7%	8.2%	16.5%
Region 6	183,275	66.6%	8.0%	9.6%	15.8%
Region 7	178,396	66.4%	6.8%	8.7%	18.1%
Region 8	144,933	65.8%	8.2%	11.1%	14.8%
Region 9	115,147	61.7%	5.0%	2.6%	30.7%
Region 10	145,367	62.9%	9.0%	5.8%	22.3%
Region 11	151,594	59.5%	5.5%	5.7%	29.3%
Region 12	226,429	62.7%	9.9%	11.5%	15.8%
Georgia	3,277,424	67.2%	6.8%	14.0%	12.1%

Source: U.S. Census Bureau, *Census 2000* (data compiled by Karen Tinsley and Brenda Cude in *State of the State's Housing: Service Delivery Regions – Overview*, July 2003)

Region 3, the Atlanta region, is the most urban of all the regions. As such, it claimed the lowest percentage of mobile homes in the state. On the other end of the scale, Region 9 - a region that does not contain even one MSA - had the highest percentage of mobile homes. It also had the smallest number of housing units. Interestingly, Region 11, which is a part of the Valdosta and Brunswick MSAs, had the lowest percentage of single family units.

From 1990 to 2000, the percentage of single-family detached units increased the greatest in Regions 1, 2, 3, 4, and 5, while the percentage of mobile homes increased the greatest in Regions 6, 7, 8, 9, 10, and 11.⁹²

⁹² Karen Tinsley and Brenda Cude 40.

Also during this time period, the percentage of multi-family buildings with 10 to 19 units decreased in Georgia and in all regions, except for Regions 2 and 5.

In sum, these trends illustrate that, although single-family housing continues to dominate the housing market, a large number of households are turning to manufactured housing. This trend may be due to a combination of several factors, noted below.

- The lack of skilled trade people in rural areas to construct housing.
- Faster and easier access to financing for a manufactured home than for improved real estate loans.
- Manufactured homes provide housing more quickly than newly constructed units.

(2) Regional Variations in Housing Conditions

Housing conditions also vary according to region. Table 30 shows the percentage of occupied units that were overcrowded, lacked complete kitchens, and lacked complete plumbing by region in 2000.

Table 30: Regional Housing Conditions, 2000

Region	Total Number of Occupied Units	Percent of Total Overcrowded	Percent of Total Lacking Complete Kitchens	Percent of Total Lacking Complete Plumbing
Region 1	257,615	4.1%	0.5%	0.5%
Region 2	166,287	4.4%	0.3%	0.5%
Region 3	1,261,894	5.5%	0.4%	0.4%
Region 4	146,384	3.5%	0.6%	0.8%
Region 5	161,335	3.9%	0.5%	0.7%
Region 6	163,079	3.7%	0.5%	0.6%
Region 7	158,840	4.4%	0.7%	0.9%
Region 8	128,821	5.0%	0.7%	0.8%
Region 9	98,923	4.7%	0.7%	0.9%
Region 10	129,164	5.8%	0.7%	0.9%
Region 11	133,107	4.8%	0.5%	0.5%
Region 12	200,920	4.1%	0.6%	0.6%
Georgia	3,006,369	4.8%	0.5%	0.6%

Source: U.S. Census Bureau, *Census 2000* (data compiled by Karen Tinsley and Brenda Cude in *State of the State’s Housing: Service Delivery Regions – Overview*, July 2003)

Region 10, which borders Alabama and Florida, had the highest percentage of overcrowded units in the state (5.8%). Statewide, Asians and Hispanics were more likely than Blacks or Whites to live in overcrowded units. Housing units in Regions 7, 9, and 10 were most likely to lack complete kitchen or plumbing facilities (0.7% and 0.9%, respectively).

The *State of the State’s Housing* report also notes that a larger percentage of housing units in Regions 1, 5, 6, 8, 9, 10, 11, and 12 used electricity for heating than the statewide average.⁹³

⁹³ Karen Tinsley and Brenda Cude 45.

Region 2, however, had the largest percentage of units that was heated by another type of fuel.

Interestingly, Region 2 also had the newest housing in the state in 2000 with almost 40% of its housing units built within the last 10 years.⁹⁴ Forsyth County, which is in Region 2, had the largest percentage of newer units in the state. Regions 3 and 5 also had a large percentage of new housing as compared with units statewide. Conversely, Region 8 had the oldest housing in the state, with 28% of units at least 40 years old in 2000. Randolph County, which is in Region 8, had the largest percentage of these older units. Table 31 illustrates the age of Georgia’s housing stock in 2000 by region.

Table 31: Percent of Housing Units by Age by Region, 2000

Region	Number of Housing Units	10 years or less	11 to 20 years	21 to 40 years	More than 40 years
Region 1	280,622	29.9%	18.9%	29.8%	21.3%
Region 2	191,432	39.6%	21.8%	24.6%	14.1%
Region 3	1,331,264	28.8%	25.4%	31.3%	14.5%
Region 4	158,006	27.9%	19.9%	28.9%	23.4%
Region 5	173,328	32.7%	19.7%	29.1%	18.5%
Region 6	183,541	23.8%	19.6%	34.2%	22.3%
Region 7	178,566	22.3%	21.0%	34.2%	22.4%
Region 8	145,199	19.3%	16.0%	36.3%	28.4%
Region 9	115,484	22.6%	18.7%	35.0%	23.7%
Region 10	145,588	22.3%	17.7%	35.9%	24.1%
Region 11	151,900	25.7%	19.8%	32.2%	22.4%
Region 12	226,807	27.6%	21.2%	28.1%	23.1%
Georgia	3,281,737	27.9%	22.0%	31.2%	18.9%

Source: U.S. Census Bureau, *Census 2000* (data compiled by Karen Tinsley and Brenda Cude in *State of the State’s Housing: Service Delivery Regions – Overview*, July 2003)

(3) Regional Variations in Housing Costs

The issue of cost burden varies among Georgia’s regions. For instance, Regions 3 and 12 had the largest percentage of owner-occupied households that were cost burdened in 2000, while Region 1 had the lowest. Region 5 had the largest percentage of renters that were cost burdened. Statewide, homeowners with mortgages were most likely to be cost burdened than those without a mortgage. Interestingly, homeowners with incomes of \$35,000 or more were more likely to be cost burdened than renters in all regions.⁹⁵ Table 32 below illustrates the differences in cost burden in Georgia’s Service Delivery Regions.

⁹⁴ Karen Tinsley and Brenda Cude 41.

⁹⁵ Karen Tinsley and Brenda Cude 30.

Table 32: Percent of Income Spent on Housing by Region and Tenure, 2000

Region	Owner-Occupied Units		Renter-Occupied Units		
	Number of Units	30% or More of Income Spent	Number of Units	30% - 49% of Income Spent	50% or more of Income Spent
Region 1	138,944	18.2%	62,513	16.5%	12.9%
Region 2	93,093	21.6%	34,670	17.9%	13.6%
Region 3	728,998	22.0%	449,264	20.9%	16.0%
Region 4	75,846	19.9%	40,937	19.1%	16.1%
Region 5	78,289	21.1%	49,323	17.4%	22.7%
Region 6	82,831	19.1%	51,894	16.8%	17.0%
Region 7	78,630	21.7%	49,376	18.3%	16.8%
Region 8	60,279	21.4%	47,504	15.8%	16.4%
Region 9	39,716	18.8%	25,156	15.8%	15.8%
Region 10	55,888	21.9%	41,649	16.0%	18.6%
Region 11	54,429	20.6%	38,076	16.3%	17.4%
Region 12	95,398	22.1%	74,084	18.5%	18.0%
Georgia	1,582,341	21.2%	964,446	18.9%	16.5%

Source: U.S. Census Bureau, *Census 2000* (data compiled by Karen Tinsley and Brenda Cude in *State of the State's Housing: Service Delivery Regions – Overview*, July 2003)

The housing wage rate to afford the fair market rent in 2001 ranged from \$8.71 in the Albany MSA to \$16.88 in the Atlanta MSA. The Columbus MSA was the only other MSA with a housing wage lower than \$10 (it was \$9.40).⁹⁶

The median value of owner-occupied housing was higher than the 2000 state median of \$111,200 in 24 counties.⁹⁷ Eight of these counties were in Region 3 (Cherokee, Cobb, DeKalb, Fayette, Fulton, Gwinnett, Henry, and Rockdale; seven were in Region 2 (Dawson, Forsyth, Hall, Lumpkin, Rabun, Towns, and White); three were in Region 5 (Clarke, Oconee, and Walton), and two were in Region 12 (Bryan and Glynn). Pickens, Coweta, Columbia, and Harris Counties also had median values that were higher than the state median value (Regions 1, 4, 7, and 8, respectively). The median values were lower than the state median in every county in Regions 6, 9, 10, and 11. Forsyth County in Region 2 had the highest median value whereas Taliaferro County in Region 7 had the lowest.

Also in 2000, Region 2 had the highest average sales price for new homes (\$207,423) while Region 9 had the lowest (\$101,449). Region 9 also had the lowest average sales price for existing homes (\$71,937), while Region 3 had the highest (\$181,182).

(4) Regional Variations in Housing Demand

Regional variations of housing demand are difficult to measure. Nevertheless, an economic vitality index published by the Georgia Rural Development Council offers a glimpse into the

⁹⁶ Karen Tinsley and Brenda Cude 33.

⁹⁷ Karen Tinsley and Brenda Cude 27.

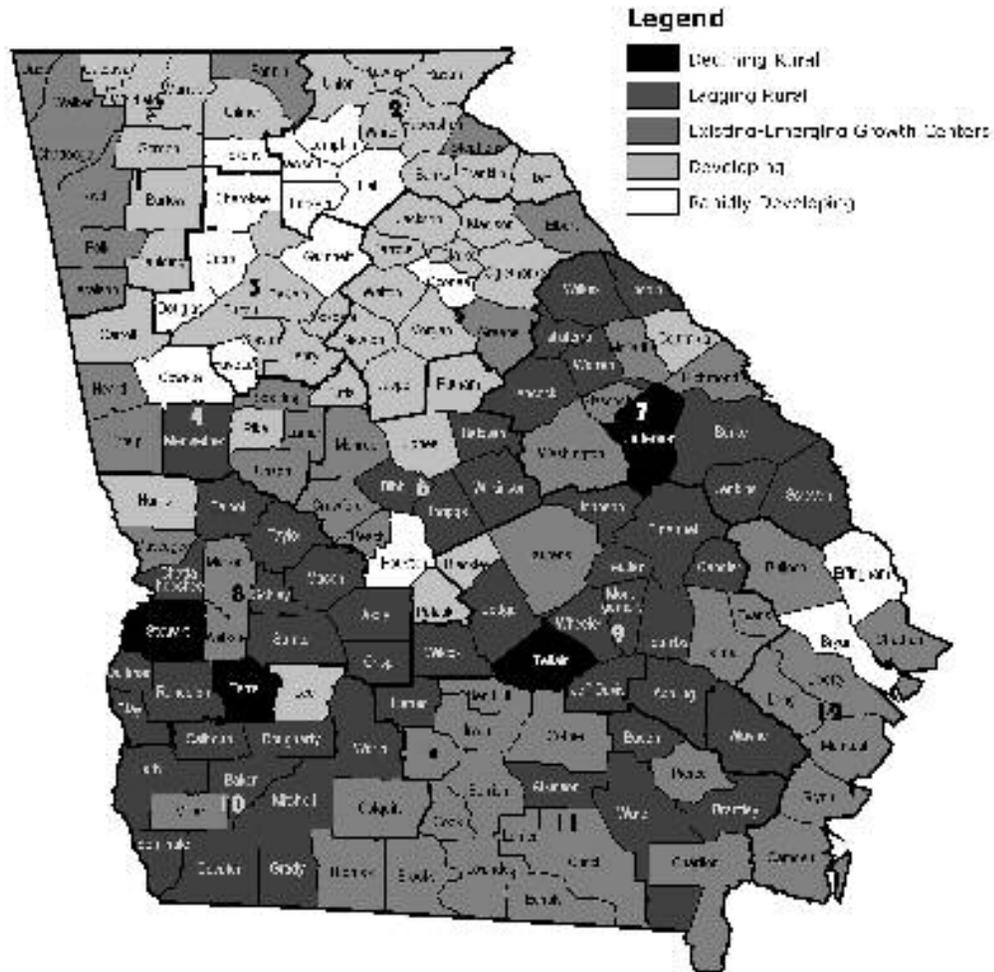
factors that typically contribute to housing demand. Those factors include wage growth, employment growth, total population growth, unemployment, per capita income, and poverty rate. The index classifies counties into five categories, noted below.

- Rapidly Developing – These counties are characterized by rapidly expanding economies based in heavy residential, commercial, and industrial development.
- Developing – These counties have growing industrial and commercial sectors and rapid residential development.
- Existing and Emerging Growth Centers – Counties categorized as existing and emerging growth centers perform near average on economic indicators relative to the rest of the state.
- Lagging Rural – In this category, counties lack a major industrial or commercial center, have lost major employers, and perform at or below the average on economic and social indicators.
- Declining Rural – These counties experience high poverty and lack of economic opportunity.

As such, this index may be useful in presuming existing housing demand in Georgia's regions (i.e. the higher the ranking on the economic vitality index, the greater the housing demand). Please see the next page for a map of Georgia's economic vitality index. As of 2001, 15 counties were designated as rapidly developing, 39 counties were characterized as developing, and 51 counties were categorized as existing and emerging growth centers. On the other hand, 50 counties were designated as lagging rural and 4 counties were categorized as declining rural.

Economic Vitality Index

Composite Economic Conditions



INDICATORS USED 1999

- Per capita income
- Unemployment
- Bank Deposits per 1,000 population
- Labor force as a % of total population
- Average manufacturing weekly wages
- Annual growth in total population
- Percentage below the poverty line 1989



The University of Georgia, Business Outreach Services / Small Business Development Center, Georgia Institute of Technology, Center for Economic Development and Statistics, and the Georgia Rural Development Council, August 2001

C. GEORGIA'S HOMELESS FACILITIES AND SERVICES

(1) Overview

In response to the growth in homelessness and the availability of increased funding sources, the network of organizations that assist homeless individuals has increased substantially since 1980. Several formal organizations have been incorporated to serve the needs of Georgia's homeless either directly or indirectly through coalitions, task forces, and other networks.

The oldest community homeless service network is the Atlanta Task Force for the Homeless. Initially formed in 1981, the Task Force coordinates services, shelters, and advocacy efforts within the Atlanta metropolitan area. The Task Force also coordinates monthly networking and informational meetings among shelter providers and service agencies, directing each session to specific issues. There are other task force/coalition organizations in Augusta, Valdosta, and Columbus. These organizations are all individually incorporated and exist to provide direct services to homeless persons and to coordinate efforts with other providers and groups.

New to the Atlanta metropolitan region is the Mayor's Homeless Commission. DCA participates with the (Atlanta) Mayor's Homeless Commission in an effort to address needs in the Atlanta region. This Commission, staffed by the United Way of Metropolitan Atlanta, is currently collaborating with the Georgia Legislature to establish a regional entity that includes much of the Balance of State Continuum of Care. Extending from this effort is the United Way's new Supportive Housing Council. This group is specifically working to establish new resources for housing chronic homeless persons in the metro Atlanta area. DCA staff also attends local homeless coalition and Continuum of Care planning meetings throughout the State.

On a statewide level, the Georgia Coalition to End Homelessness offers a network of service providers, advocates, and homeless individuals who are committed to ending homelessness in a humane fashion. The coalition has member organizations in Albany, Athens, Atlanta, Augusta, Cobb, Columbus, Macon, Savannah, and Valdosta. The Coalition holds monthly meetings to share information, plans training sessions for members, and develops policy recommendations for the General Assembly.

There are many other community-based homeless networks active in Albany, Atlanta, Athens, Augusta, Cobb County, Columbus, Gainesville, Gwinnett County, Habersham County, Gainesville, Macon, Rockdale County, Rome, Savannah, Statesboro, Valdosta, and Waycross. These organizations provide a variety of services, including collaborated case management, shared database management, and several other advocacy and coordination functions.

In order to provide financial assistance to sponsors of housing and service programs designed to mitigate homelessness, the General Assembly created the State Housing Trust Fund for the Homeless in 1989. The Georgia Department of Community Affairs (DCA) coordinates activities of the Trust Fund and a nine-member commission sets its policy.

DCA's fundamental mission is to work with communities in Georgia to help them identify needs and opportunities for improvement while utilizing locally driven solutions. In addition, DCA has been and continues to be a critical partner for larger entitlement communities

working toward solutions to homelessness. In smaller communities, often absent dedicated staff, DCA strives to be a leader on homeless issues by engaging and involving mainstream providers in locally driven solutions. DCA has been extremely successful in these smaller communities with regional approaches to prevention, outreach, and permanent housing solutions utilizing Shelter Plus Care and HOPWA resources.

Since 1998, DCA has also developed an annual Continuum of Care for the Balance of the State (CoC) that allows organizations in non-entitlement communities to compete for U.S. Department of Housing and Urban Development (HUD) homeless assistance funds. DCA leads or works with six bodies responsible for the design and development of the CoC for rural Georgia communities. These six entities include the following: Georgia Department of Community Affairs, the State Homeless Advisory Council, the State Interagency Homeless Coordinating Council, the Georgia Homeless Services Providers, community participants through the Regional CoC Workshops, and the CoC Project Review Committee.

Georgia's Balance of the State Continuum of Care Plan includes 152 counties covering 56,707 total square miles with a population of 2+ million persons. Communities not covered by this plan are the following entitlement jurisdictions that completed their own plans: Atlanta Tri-Jurisdiction Planning Group (City of Atlanta Continuum, DeKalb County Continuum, Fulton County Continuum), Augusta/Richmond County, Athens/Clarke County, Columbus/Muscogee County, Marietta/Cobb County, and Savannah/Chatham County. Between 1998 and 2003, the DCA sponsored Balance of State Continuum of Care has produced \$31,499,829 in funding for 81 projects (new and renewal). In addition, DCA annually provides \$7 million in ESG, HOPWA, and State Housing Trust Fund dollars to 210 homeless provider grantees in Georgia. Through the Shelter Plus Care Program (S+C), DCA now has 611 units of permanent supportive housing now under contract with HUD with over 500 in production. In conjunction with DCA's Housing Finance Division, work is underway to develop 456 new units of permanent supportive housing (multifamily and scattered site S+C sponsor-based rental assistance), much of it for chronically homeless individuals.

Created by Congress in 1987 and administered by DCA, the McKinney Emergency Shelter Grant Program (ESGP) provides financial assistance to shelters and homeless service providers in meeting the emergency shelter needs of homeless individuals and families. The ESG Program supports local governments and nonprofit organizations in opening emergency shelters and transitional facilities and in providing social services to homeless persons. Eligible activities under this program include the rehabilitation or conversion of buildings for use as emergency shelters in addition to the payment of certain operating and social service expenses. Homelessness prevention activities are also eligible.

DCA is also responsible for administering Georgia's Housing Trust Fund. Georgia's Housing Trust Fund matches every federal ESGP dollar with money from the Georgia General Assembly. Between 1989 and 2004, \$8.6 million have been awarded to ESG Programs. Since 1989, the Trust Fund has awarded a total of \$54.5 million to local governments and private nonprofit organizations in order to address homeless issues.

(2) Facilities

Emergency Shelters and Transitional Housing

While most homeless facilities are concentrated in the state's urban areas, emergency shelters and transitional housing are located throughout Georgia.

According to program records, the state contains approximately 186 emergency shelters with an estimated total bed capacity of 5,604. Table 33 identifies the locations of SFY2005 Emergency Shelter and Transitional Housing award recipients by region. Appendix K identifies all SFY2005 ESGP participants. In SFY2004, the Housing Trust Fund assisted 120 grantees with 5,589 bed spaces in emergency shelter and transitional housing facilities with an average of 4,657 clients receiving housing per day.

Table 33: Locations of SFY2005 Emergency Shelter and Transitional Housing Grant Recipients by Region

Location	Number of Facilities	Location	Number of Facilities
Atlanta		East Central	
Atlanta	23	Augusta-Richmond	5
Carrollton	1	Northeast	
Chamblee	1	Athens-Clarke	2
Clayton County	2	Clarksville	1
Cobb County	4	Dahlonega	1
College Park	1	Gainesville	1
Decatur	1	Habersham County	2
DeKalb County	7	Hartwell	1
Doraville	1	Union County	1
Douglas County	1	Northwest	
Douglasville	1	Cartersville	2
Fulton County	3	Cherokee County	1
Griffin	1	Dalton	2
Gwinnett County	2	Fannin County	1
Hampton	1	Paulding County	1
Winder	2	Rome	1
Central		St. Marys	1
Baldwin County	1	Walker County	1
Dublin	1	Southeast	
Macon	3	Vidalia	1
Warner Robbins	2	Waycross	1
Coastal		Southeast	
Brunswick	1	Adel	1
Liberty County	1	Albany	3
Savannah	8	Colquitt	1
Statesboro	1	Tifton	1
West Central		Thomasville	2
Columbus-Muscogee	1	Valdosta	1
LaGrange	1		
Taylor County	1	TOTAL	108

Source: Georgia Department of Community Affairs

Supportive Housing

If the first key to helping persons facing homelessness is to provide them with housing, then the second key is to provide a range of supportive services designed to assist them in reaching the highest level of self-sufficiency possible. The following table details locations in Georgia that provided supportive services in SFY2005 through funding by the Housing Trust Fund. Supportive services may include such things as case management, substance abuse treatment, mental health counseling, meals, clothing, security deposits, and other activities designed to move people towards self-sufficiency.

Table 34: Locations of SFY2005 Supportive Services

Location	Number of Facilities		Location	Number of Facilities
Albany	3		Gwinnett County	1
Athens-Clarke	5		Liberty County	1
Atlanta	20		Macon	2
Augusta	8		Paulding County	1
Blue Ridge	1		Pickens	1
Carrollton	1		Rockdale County	1
Chamblee	1		Rome	2
Cobb County	2		Savannah	5
Columbus	3		Statesboro	1
DeKalb County	2		Thomasville	1
Forest Park	1		Valdosta	2
Fulton County	1			
Gainesville	1		TOTAL	67

Source: Georgia Department of Community Affairs

Family Violence Shelters

The Georgia Department of Human Resources (DHR) has 45 certified family violence shelters and programs throughout Georgia covering all 159 counties. Core services include the following: 24-hour crisis line, shelter, support groups, children's program, legal advocacy, crisis intervention, comprehensive case management, community resources, and referrals. The DHR Family Violence Program staff can be reached at (404) 463-3960.

(3) Services

Community Kitchens, Day Shelters, and Other Services

Approximately 96 organizations in Georgia provide day shelter and/or day services to individuals who are homeless. Thirteen (13) facilities offer community kitchens and at least 13 shelters are affiliated with the Salvation Army. Eight (8) centers provide legal assistance, 96 shelters offer mental health and/or substance abuse treatment assistance, and 78 shelters provide outreach to unsheltered homeless persons. Child care services are made available to the community through 13 facilities and 43 facilities offer assistance to runaway/throwaway youth. These facilities and organizations are located throughout Georgia.

Counseling Services Available Through ESGP Facilities

A vast majority of ESGP homeless facilities offer counseling to homeless families and individuals. In fact, the ESGP funding allocation formula provides increased funding incentives for facilities that offer services and counseling to guests beyond basic shelter and food. Table 35 below indicates the number of organizations that were reported as providing counseling and services in addition to shelter in 2004.

Table 35: Counseling Services offered by ESGP Emergency Shelter/Transitional Housing Service Recipients in 2004

Counseling Service	Number of ESGP Service Recipients	Percentage of ESGP Recipients
Employment Counseling	107	83%
Health Counseling	88	68%
Comprehensive Case Management	124	96%
Housing Counseling	122	94%
Life Skills / Financial Mgt Training	121	94%
Child Care	75	58%

Source: Georgia Department of Community Affairs



D. GEORGIA'S SPECIAL NEEDS FACILITIES AND SERVICES

The following is a listing of the types of facilities and services that assist persons in Georgia who are not homeless yet require supportive housing, including the elderly, persons with disabilities, persons with alcohol and/or other drug addictions, and persons with HIV/AIDS.

(1) Elderly and Frail Elderly

The Georgia Department of Human Resources, Office of Regulatory Services, regulates long-term care facilities that serve the elderly and frail elderly in Georgia. As of March 2004, there were at least 379 nursing homes and approximately 1,707 personal care homes in Georgia. These facilities also serve individuals with disabilities regardless of age. Nursing homes admit residents on medical referral and may provide care at the intermediate or skilled levels. Intermediate care homes provide food, shelter, and personal care services whereas skilled nursing homes provide those services along with continuous medical supervision and rehabilitative care. Personal care homes provide or arrange for the provision of housing, food service, and one or more personal services for two or more adults who are not related to the owner or administrator by blood or marriage.

As described above, nursing homes and personal care homes most accurately depict the extent to which Georgia's frail elderly are served. Other frail elderly may reside at home or in some other type of assisted living arrangement. For instance, living arrangements or services may be provided by members of the Georgia Association of Homes and Services for the Aging (GAHSA). Members include nonprofit community-based housing and service providers such as nursing homes, retirement homes, assisted living communities, continuing care retirement communities, and other community service providers. GAHSA's membership includes nearly 100 housing and service providers.

The Georgia Department of Human Resources' Division of Aging Services administers a statewide system of services for older Georgians through twelve Area Agencies on Aging (AAA). The AAAs are identified by the Division of Aging Services according to geographical boundaries. The following is a listing of services offered through the AAAs. The availability of specific services varies widely depending upon community resources, local needs, and geographic region.

- Home and Community Based Services – Includes a broad range of community-based services that support and assist older Georgians who may not require intensive medical services. Services include information and assistance; transportation services; senior center/congregate meals and home delivered meals; adult daycare; respite care services; and homemaker/personal care/chore services.
- Community Care Services Program – Offers Medicaid-eligible, functionally impaired citizens community-based options to avoid premature or unnecessary institutional placement. Services include adult day health; alternative living services; emergency response services; home delivered meals; home health services; personal support services; and respite care.
- Senior Community Service Employment Program – Provides useful part-time community service assignments to low-income persons age 55 or older and also helps participants obtain employment.

- The Wellness Program – Activities of this program are focused on health promotion and disease prevention. Wellness services include nutrition screening, education, counseling; physical fitness, exercise; medications management; fall prevention; foot/ear care; physical therapy; occupational therapy; therapeutic massage; stress reduction; home safety inspections; weight control; education/screening and management of chronic diseases.
- Long-Term Care Ombudsman Program – Staff investigates and works to resolve complaints on behalf of long-term care facility residents.
- GeorgiaCares – This program assists every eligible senior with enrolling in all applicable low-cost prescription savings programs sponsored by pharmaceutical companies.
- Elderly Legal Assistance Program – Provides legal information, education, and representation of persons 60 years of age and older at no cost to the individual client.
- Georgia Elder Abuse and Consumer Fraud Prevention Program – Provides services to identify, prevent, and treat elder abuse, neglect, and exploitation.
- Caregiver Programs and Services – These programs and services support family caregivers. Programs include an Alzheimer’s Program (provides in-home respite, adult day care, transportation, home modifications, and education/training activities); Mobile Day Care (enables rural communities to share staff that travel between locations providing respite for caregivers); and Legacy Express (a four-county program that provides vouchers to caregivers that may be spent on services of their choosing).

In SFY2003, 37,554 older Georgians were provided one or more Home and Community Based Services by the Georgia Division of Aging Services.⁹⁸ The division also helped 14,687 Medicaid-eligible people who are functionally impaired to continue living in their homes and communities through the Community Care Services Program.

Several state departments and agencies address the service needs of Georgia’s elderly. All of the following departments and agencies provide or address such services: Georgia Department of Human Resources; Georgia Department of Community Health; Georgia Department of Community Affairs; Georgia Department of Veterans Services; Area Agencies on Aging; Long-Term Care Ombudsman; and Georgia Council on Aging.

Other direct service providers (such as nonprofit organizations and medical establishments) also deliver services to the elderly that are funded by various federal, state, local, and private funds. The Affordable Housing Directory, available through the Community Housing Resource Center (CHRC), provides a listing of agencies in Georgia that deal with the issues related to affordable housing for persons with special needs. The directory is available online at http://www.chrcatlanta.org/aff_housing_dir.html.

⁹⁸ Georgia Department of Human Resources, Division of Aging Services 13.

(2) Persons with Mental, Physical, and/or Developmental Disabilities

Several state departments assist persons with disabilities. For instance, the Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) serve people of all ages and those with the most severe problems. MHDDAD divides its caseload between four categories: mental illness, emotionally disturbed children, mental retardation/other developmental disabilities, and substance abuse. In SFY2003, MHDDAD served 159,240 people (unduplicated count) with mental illness, mental retardation, and related disabilities.

The MHDDAD regional offices coordinates services for people needing treatment for mental illness or substance abuse problems, support services for people with mental retardation, or substance abuse prevention services. Services are provided through seven regional MHDDAD hospitals, one facility for people with mental retardation and related developmental disabilities, and through contracts with 25 community service boards, boards of health, and various private and nonprofit providers. There are over 200 private and nonprofit service providers in the state.

The following is a brief listing of services coordinated by the MHDDAD regional offices:

- Outpatient services include diagnosis and evaluation, individual, group, or family counseling, medication monitoring, education, and service coordination.
- Community residential services provide living arrangements for people with mental illness or mental retardation who need support to remain in the community, and detoxification and treatment programs for people with substance abuse problems who need 24-hour, structured treatment.
- Day programs help people with severe disabilities learn basic living, social, and work skills.
- Family support services include training or assistance with social interaction, daily living skills, managing health and diet, respite for caregivers, transportation, person-centered planning, accessing and coordinating medical services, and financial life planning.
- Supported employment provides the supports people with mental illness or mental retardation need to find and keep jobs.

The Georgia Department of Labor, Rehabilitation Services also provides assistance to individuals with disabilities through five programs, which are briefly described below.

- Vocational Rehabilitation Program provides services to help individuals with disabilities prepare for, start, and maintain competitive employment. In SFY2003, at least 36,889 Georgians received vocational rehabilitation assistance. The projected number of individuals to receive vocational rehabilitation services in SFY2004 will be at least 31,000.

- Disability Adjudication Services works with the Social Security Administration (SSA) to make disability determinations for Georgia citizens who apply for entitlement programs administered by the SSA.
- Roosevelt Warm Springs Institute for Rehabilitation is one of the oldest comprehensive rehabilitation centers in the nation. The primary focus in both the medical and vocational programs is on outcomes that improve functional independence, self-sufficiency, quality of life and employability.
- Business Enterprise Program provides work opportunities to persons who are blind and who want to manage small businesses.
- Georgia Industries for the Blind provides jobs in manufacturing and packaging for individuals who are severely visually impaired.

The Georgia Department of Human Resources, Office of Regulatory Services also regulates long-term care facilities that serve individuals with various types of disabilities in Georgia. As of March 2004, there were at least 379 nursing homes, 191 community living arrangements, and approximately 1,707 personal care homes in Georgia. Nursing homes and personal care homes are defined in Section IV.D.1 above. A community living arrangement is any residence that provides or arranges for the provision of daily personal services, supports, care or treatment exclusively for two or more adults who are not related to the owner or administrator by blood or marriage.

Georgia's Department of Community Health, Division of Medical Assistance administers waiver services for five home and community-based programs and two demonstration projects that are covered by Medicaid. Waivers are issued by the federal government and allow exceptions to specific Medicaid requirements, permitting the state to pay for home and community-base services as an alternative to institutional care. Each program offers several core services, including service coordination, personal support, home health services, emergency response systems, and respite care. Additional services are available through each program.

The five home and community-based programs include:

- The Community Care Services Program (operated by the Georgia Department of Human Resources, Division of Aging Services) offers services to help elderly and/or functionally impaired or disabled people remain in the community or return to the community from nursing homes.
- The Mental Retardation Waiver Program assists people who have been diagnosed with mental retardation or other developmental disabilities to live in the community. To be eligible, the person must require a level of care that is provided in an Intermediate Care Facility for the Mentally Retarded.
- The Community Habilitation and Support Services Waiver Program is similar to the Mental Retardation Waiver Program. It serves individuals who have transitioned from institutions, as well as people who were on community waiting lists.
- The Model Waiver program covers private duty nursing and medical day care for individuals under age 21 who are respirator or oxygen dependent.

- The Independent Care Waiver Program helps adult Medicaid recipients live in their own homes or in the community instead of living in a hospital setting. Services are also available for persons with traumatic brain injuries.

Two demonstration projects include:

- SOURCE (Service Options Using Resources in a Community Environment) links primary care with an array of long-term health services in a person's home or community to avoid preventable hospital and nursing home care for frail elderly and individuals with disabilities. This program is available in limited areas of the state.
- ShepherdCare provides primary care through an outreach program that is managed by advanced practice nurses who coordinate medical care for severely disabled clients at the Shepherd Spinal Center in Atlanta.

Georgia's Centers for Independent Living also provide a wide variety of services to individuals with disabilities and their families. Services include individual advocacy and systems advocacy, peer counseling, information and referral, and independent living skills training. Center offices are located in several areas across the state (Gainesville, Bainbridge, Macon, Decatur, Rome, Savannah, Athens, Walton, and Warrenton).

The Georgia Department of Community Affairs (DCA) operates the Rental Access Network (RAN), which provides a database of affordable apartments across Georgia. RAN is especially valuable to individuals with disabilities, since it offers prospective renters a description of accessibility features for each unit. RAN can be accessed at <http://www.rentalaccessnetwork.org>. DCA also provides housing assistance to households with disabilities through several other programs. Please see the Consolidated Plan Annual Action Plan for program details.

Several state departments and agencies address the service needs of individuals with disabilities in Georgia. All of the following departments and agencies provide or address such services: Georgia Department of Human Resources; Georgia Department of Community Health; Georgia Department of Labor; Georgia Department of Community Affairs; Georgia Department of Veterans Services; Americans with Disabilities Act Coordinators; Brain and Spinal Injury Trust Fund Commission; Governors Council on Developmental Disabilities; Georgia Mental Health Planning Council; Area Agencies on Aging; Long-Term Care Ombudsman; and Georgia Council on Aging.

Other direct service providers (such as nonprofit organizations and medical establishments) also deliver services to individuals with disabilities that are funded by various federal, state, local, and private funds. The Affordable Housing Directory, available through the Community Housing Resource Center (CHRC), provides a listing of agencies in Georgia that deal with the issues related to affordable housing for persons with special needs. The directory is available online at http://www.chrcatlanta.org/aff_housing_dir.html.

Persons with Mental Illness

The Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) provides a range of community-based treatment and support services for people with serious mental illness, such as schizophrenia,

major depression, and bi-polar disorder. When hospitalization is needed, a person may be admitted to a state hospital voluntarily until stabilized. If he or she is considered a danger to self or others, he or she may be admitted involuntarily until stabilized. The seven regional psychiatric hospitals are located in Atlanta, Augusta, Columbus, Milledgeville, Rome, Savannah, and Thomasville.

Special units in the state hospitals located in Atlanta, Milledgeville, and Savannah serve children and adolescents who require short-term inpatient care. Two hospitals in Columbus and Rome offer long-term treatment for severely emotionally disturbed teenagers through the state Multi-Agency Team for Children (MATCH) program. In addition, Southwestern State Hospital in Thomasville operates four assertive community treatment teams for people with serious mental illness and addiction, a residential program for people with both illnesses, and an intensive treatment residence. Northwest

Georgia Regional Hospital in Rome and West Central Georgia Regional Hospital in Columbus also operates community-based homes for older adolescents who need a period of transition from long-term hospital services. Outdoor therapeutic programs in Warm Springs and Cleveland help troubled children and teens in a wilderness setting.

When an individual is about to be released from a state institution, the treatment team attempts to complete a person-centered plan for each individual. This plan develops necessary and appropriate services needed for the individual to live in the community. Individuals have some choice during planning for the type of living arrangements they desire. If appropriate, individuals go back to their prior living arrangements after treatment. This person-centered planning process, however, is currently under review.

The Georgia Department of Community Affairs is also working with an interagency council to formulate new protocols for homeless eligibility determinations and placements for persons discharged from institutions, including mental health facilities, correctional facilities, and children's shelters.

In 2001, Georgia applied to participate in the HUD-sponsored Homeless Policy Academy. Georgia was selected to participate in the academy and a cross discipline team of state officials and nonprofit homeless service providers represented the state. Discharge planning from state institutions and its impact upon homelessness was a major topic at the academy. The Georgia Homeless Policy Team completed the work of the Homeless Policy Academy and reported the results to the Office of the Governor in the *State of Georgia Action Plan to End Homelessness in Ten Years*.

One of the main goals of this action plan is to develop and adopt state policies to end the discharge of institutionalized individuals directly to homeless facilities unprepared and unable to meet the supportive service needs of the individual. The state will seek to do this by establishing state policies that require affected agencies to assure appropriate housing and community treatment for individuals with disabilities discharged from institutional settings in compliance with the *Olmstead* U.S. Supreme Court ruling. The state will also seek to develop homeless recuperative centers for post-hospitalization discharge of homeless individuals with immediate primary care health needs.

These actions will be developed by the Georgia Interagency Homeless Coordination Council. On February 11, 2004, Governor Sonny Perdue ordered that the Georgia Interagency Homeless Coordination Council be co-chaired by the Department of Human Resources and

the Department of Community Affairs and be composed of representatives from the various state departments and other homeless coordination service agencies. In addition to the interagency council, various state departments are working to develop new intake protocols that may be utilized by state and community mental health providers. These new protocols will seek to identify homeless persons as they enter and navigate through the state mental health system.

In SFY2003, at least 5,076 people (unduplicated count) with a primary disability of mental illness received community residential services from MHDDAD.

Community residential services include congregate housing residential services in addition to personal living and residential supports. These supports include services that enable consumers to live in their own homes. In addition, at least 266 people (unduplicated count) with a primary disability of mental illness received services through a state operated outdoor therapeutic program.

In addition to state operated facilities, seven other psychiatric hospitals are licensed by the state to provide psychiatric treatment to patients. The state also licenses seven intensive residential treatment facilities, which are specialized hospitals that provide residential psychiatric treatment to children under the age of 18.

Persons with Physical Disabilities

The facilities and services described thus far in this section may also assist individuals with physical disabilities (unless otherwise noted). In addition, persons with physical disabilities may also be served in facilities that assist individuals with developmental disabilities (described below). However, since physical disabilities are not specifically tracked by MHDDAD, the number of persons served with physical disabilities in the state system cannot be separated from all persons served.

When an individual is about to be released from a state institution, the treatment team attempts to complete a person-centered plan for each individual. This plan develops necessary and appropriate services needed for the individual to live in the community. Individuals have some choice during planning for the type of living arrangements they desire. If appropriate, individuals go back to their prior living arrangements after treatment. This person-centered planning process, however, is currently under review. For more information, please Section IV.D.2 – Persons with Mental Illness.

For people with physical disabilities, it is important to note that they desire housing within the general community. Thus, identifying accessible housing is a key to making this happen. As a result, the Georgia Department of Community Affairs supports efforts to market and implement visitability in housing. Representatives from DCA, the Home Builders Association of Georgia, the American Association of Retired Persons, Concrete Change, the Governor's Council on Developmental Disabilities, the Statewide Independent Living Council of Georgia, and several other groups formed the Easy Living Home Program. This program encourages builders to voluntarily build homes that include some minimum accessibility features. In return, builders are provided with a "seal" of approval and various marketing programs.

Persons with Developmental Disabilities

The Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) provides services for people with mental retardation and related developmental disabilities through public and private providers. Some of the most requested services include family support, supported employment, respite services, community residential programs, and day supports.

In special circumstances, people with mental retardation may be admitted to mental retardation institutions during a crisis. These institutions may provide intermediate or skilled nursing care. Gracewood State School and Hospital in Augusta serves only people with mental retardation or other developmental disabilities. The seven state psychiatric hospitals also have separate mental retardation/developmental disabilities units.

Southwestern State Hospital also runs three community homes, staffed by hospital employees but located in regular neighborhoods, for people with developmental disabilities. As of January 2003, Gracewood State School and Hospital has opened two community homes and plans to open two more. Additionally, the state has licensed one other facility to provide intermediate care to persons with mental retardation (Parkwood Developmental Center in Valdosta).

The Georgia Department of Human Resources, Division of Public Health operates the Babies Can't Wait (BCW) program. BCW is Georgia's statewide interagency service delivery system for infants and toddlers with developmental delays or disabilities and their families. BCW offers multidisciplinary evaluation and assessments to determine eligibility and the scope of services needed. Service coordination is also offered which assists in developing a plan to enhance the child's development. Additionally, BCW provides access to the early intervention services identified in the child's plan.

In cooperation with the Office of Regulatory Services, MHDDAD established new rules in SFY2003 to implement community living arrangements that allow people with developmental disabilities to choose more independence in their community home. In fact, at least 3,914 people (unduplicated count) with a primary diagnosis of developmental disability received community residential services from MHDDAD in SFY2003. Community residential services include congregate housing residential services in addition to personal living and residential supports. These supports include services that enable consumers to live in their own homes.

When an individual is about to be released from a state institution, the treatment team attempts to complete a person-centered plan for each individual. This plan develops necessary and appropriate services needed for the individual to live in the community. Individuals have some choice during planning for the type of living arrangements they desire. If appropriate, individuals go back to their prior living arrangements after treatment. This person-centered planning process, however, is currently under review. For more information, please Section IV.D.2 – Persons with Mental Illness.

(3) Persons with Alcohol and/or Other Drug Addictions

The Georgia Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Addictive Diseases (MHDDAD) also provides services for people with addictive diseases. Some of these services include group counseling, detoxification, and

short-term intensive residential programs. Service coordinators manage a person's care while in the MHDDAD system.

In SFY2003, 43,117 individuals (unduplicated count) with an addictive disease were served by MHDDAD. Also in SFY2003, at least 2,798 people (unduplicated count) with a primary disability of addictive disease received community residential services from MHDDAD. Community residential services include congregate housing residential services in addition to personal living and residential supports. These supports include services that enable consumers to live in their own homes. In addition, three persons (unduplicated count) with a primary disability of addictive disease received services through a state operated outdoor therapeutic program.

The division operates Southwestern State Hospital, which offers four assertive community treatment teams for people with serious mental illness and addiction, a residential program for people with both illnesses, and an intensive treatment residence. MHDDAD also offers special "ready for work" programs that provide treatment for women on welfare who are unable to find jobs due to alcohol or drug problems. Programs include intensive outpatient treatment, continuing care, and residential treatment with a therapeutic childcare component. In 2003, the 22 residential programs served 800 people and the 34 outpatient programs served 1,356. Residential services for adult males are also available through the division.

Adolescents with substance abuse problems are also provided services through MHDDAD. Services include assessment, outpatient treatment, and family education. Some regions offer residential treatment for teens with the most severe problems. In addition, prevention programs are available in most communities. In SFY2003, MHDDAD expanded the number of counties with substance abuse prevention programs from 141 in FY 2001 to 155 in FY 2003. Ninety-seven percent (97%) of Georgia's 159 counties now have prevention programs.

The Georgia Department of Human Resources, Office of Regulatory Services, regulates facilities that serve individuals with substance abuse problems. As of March 2004, there were at least 236 drug abuse treatment centers in Georgia. These centers include both residential treatment programs and outpatient treatment programs. Centers must complete an individualized discharge summary for all clients discharged in addition to an aftercare plan for continuing services and support for those clients who complete their course of treatment. The aftercare plan must include a final assessment of the client's status at the time of discharge, summary of progress towards treatment goals, a description of the services and supports the client is expected to need following discharge, and a description of potential barriers to overcome to maintain a drug free life.

The Office of Regulatory Services also regulates 25 narcotic treatment programs. These facilities provide a system of treatment for chronic heroin or opiate-like drug-dependent individuals by administering narcotic drugs under physicians' orders for detoxification purposes or for maintenance treatment in a rehabilitative context. Facilities must complete an individual discharge and aftercare plan prior to discharge for patients who leave the program with notice.

Several state departments and agencies address the service needs of individuals with substance abuse problems. Many also offer or fund substance abuse prevention activities, as well. These departments and agencies include Georgia Department of Human Resources; Georgia Department of Community Health; Georgia Department of Community Affairs; Children and Youth Coordinating Council; and the Governor's Council on Maternal and

Infant Health. Other direct service providers (such as nonprofit organizations and medical establishments) also deliver services to individuals with substance abuse problems that are funded by various federal, state, local, and private funds.

(4) Persons with HIV/AIDS

The Epidemiology Branch of the Georgia Department of Human Resources, Division of Public Health coordinates the state's response and information collection activities related to persons living with HIV/AIDS in Georgia. In addition, the branch publishes Georgia's current AIDS statistics in the monthly *Georgia Epidemiology Report*. The Prevention Services Branch, on the other hand, provides technical support and assistance to public health districts to prevent STD and HIV infection.

The Georgia Department of Human Resources, Division of Public Health also administers programs funded by the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990. CARE was created to improve the quantity and availability of supportive services for individuals and families directly impacted by HIV disease. The supportive services eligible under this program include case management, substance abuse treatment, mental health treatment, anti-retroviral medications, and other health related assistance. In addition, the City of Atlanta and the State of Georgia receive HUD formula funds through the Housing Opportunities for Persons With AIDS (HOPWA) program.

The following services and facilities are available in various cities throughout Georgia to assist people living with AIDS. Other direct service providers that are not listed (such as medical establishments and other nonprofits) also deliver services to individuals with HIV/AIDS that are funded by various federal, state, local, and private funds.

- Action Ministries, Inc. provides housing and supportive services for persons living with AIDS in Northeast Georgia.
- AIDS Coalition of Northeast Georgia, Inc. offers transitional and permanent housing and supportive services to individuals with HIV or AIDS in Athens.
- AID Atlanta provides case management, housing services, education and outreach, advocacy, and early intervention health care for persons with HIV or AIDS in metropolitan Atlanta.
- AID Gwinnett provides case management, housing services, education and outreach, advocacy, and delivered meals for persons with HIV or AIDS in Gwinnett County.
- Amethyst Project, Inc. in Statesboro offers supportive services and housing assistance to clients with HIV/AIDS.
- Atlanta Legal Aid Society offers legal services, outreach, training, and education to homeless persons with HIV or AIDS.
- Central City AIDS Network provides case management, education and outreach, advocacy, transitional and permanent supportive housing, and coordinated social and health services for families and individuals living with AIDS in Macon.

- Coastal Area Support Team, Inc. offers clients with HIV/AIDS transitional supportive housing and permanent supportive housing in Brunswick.
- Comprehensive AIDS Resource Encounter, Inc. provides housing assistance and supportive services to persons with HIV/AIDS in Jesup.
- Georgia Legal Services offers civil legal services to people living with AIDS in Atlanta, Augusta, Columbus, Gainesville, Macon, and Savannah.
- Jerusalem House offers permanent housing for up to 23 people with AIDS under Atlanta's HOPWA Program. It also provides coordinated social and health services, counseling support, recreational activities, home health and hospice services, and delivered meals.
- Homeless Resource Network, Inc. provides case management, housing services, education and outreach, advocacy, and early intervention health care for persons with HIV or AIDS in metropolitan Columbus.
- Trinity Community Ministries provides housing counseling at its Living Room facility in Atlanta for people with AIDS.
- Our Common Welfare offers transitional housing for low income substance abusers with HIV or AIDS in DeKalb and Fulton counties and provides support services, community education, meals, and counseling.
- Phoenix Place provides permanent supportive housing for HIV and AIDS infected adults in Savannah.
- Project Open Hand, Inc. provides extensive supportive services to persons living with HIV/AIDS in metropolitan Atlanta.
- Sister Love, Inc. provides support and assistance to HIV positive women in locating permanent housing in Atlanta.
- South Central Georgia Task Force for the Homeless, Inc. provides case management, transitional/permanent housing assistance, education and outreach, advocacy, and health care for persons with HIV or AIDS in Valdosta and Albany.
- St. Stephen's Ministry of Augusta, Inc. provides housing and supportive services for persons living with AIDS in Augusta.

E. REGULATORY BARRIERS TO AFFORDABLE HOUSING IN GEORGIA

While private actions principally influence the housing market, regulations at the federal, state, and local levels significantly impact the market's ability to provide affordable housing units. The cost of housing and the incentives to develop, maintain, or improve affordable housing in Georgia are directly related. Although many barriers to affordable housing are beyond governmental control, several factors affecting housing costs can be identified at the government level. This section examines the ways in which governmental regulation may affect the cost of housing.

Governmental barriers to affordable housing are often a side effect of policies regarding essentially unrelated areas, such as transportation and the environment. Nevertheless, social attitudes and the desire of individuals to protect financial investments frequently result in a "Not In My Back Yard" (NIMBY) syndrome where protectionist actions work to limit housing and resident diversity. As a result, many municipalities in Georgia and throughout the United States may directly and indirectly inhibit the growth of affordable housing alternatives.

To understand the effect of regulatory barriers on affordable housing, it is important to understand the types of regulations which may influence housing costs. The following is an overview of some regulations which may act as barriers to affordable housing.

(1) Zoning Ordinances and Land Use Controls

In 1954, Georgia passed legislation allowing local governments to adopt and enforce zoning ordinances. The 1954 Act was substantially amended in the state's constitutional edit of 1978. However, local governments still possess the legal authority to prepare plans and administer land use controls within their jurisdictions. The Georgia State Constitution, as limited in 1986 by the Zoning Procedures Act, today guarantees the right of local governments to adopt, modify, and enforce zoning ordinances. Local governments must provide public notice and hold hearings open to all citizens when considering individual rezoning cases or changes in zoning ordinances. The rezoning or variance process, which could assist the development of affordable housing, may also be difficult due to NIMBY attitudes.

Many Georgia counties restrict the use of properties within their jurisdiction to specific purposes through the use of zoning. According to the *2003 Government Management Indicators Survey*, about 64% of counties statewide reported having a zoning ordinance.⁹⁹ Zoning laws and subdivision controls are intended to protect the quality of life and financial interests vested by private individuals in their property. However, these regulations may inadvertently or purposefully drive up the cost of housing.

For instance, the amenities provided by zoning such as orderly, community-wide development and separation between incompatible land uses may stimulate the demand for housing. This demand, in turn, raises the price of housing.

⁹⁹ Georgia Department of Community Affairs, *County Government Information Catalog: 2003 Government Management Indicators Survey* (Atlanta, GA: Author, Oct. 2003) 4.a-Summary. Available online: http://www.dca.state.ga.us/research/co_GOMI_03.pdf

In addition, zoning reduces the quantity of land available for all land uses. By reducing the number of opportunities for housing development, the price of all residential land becomes inflated.

Most importantly, exclusionary zoning ordinances may limit where, how, or if affordable housing developments can be constructed. Restrictions – such as manufactured home prohibitions, minimum lot sizes, and group home limitations – reduce the number of opportunities to develop affordable housing alternatives. For instance, Habitat for Humanity has encountered barriers to affordable housing development due to regulations governing living space requirements and amenities such as two-car garages.¹⁰⁰

Ultimately, exclusionary zoning practices resulting from NIMBY attitudes can effectively prohibit some groups from establishing residency in certain neighborhoods. These practices most often affect low-income households. Growth cap policies may also increase housing costs by limiting the amount of land available for development, making land more expensive.

Just as growth patterns and issues associated with development differ between the suburbs and central cities, regulatory barriers to affordability are also very different. Generally, land use regulations in the suburbs are designed to control the extent and type of growth. In central cities, however, land use regulations tend to affect the design and materials used in rehabilitating older housing stock. These regulations also attempt to ensure that infill projects blend with their surroundings.

Affordable housing production in Georgia’s rural areas may also be hampered by zoning and subdivision regulations. For instance, zoning regulations may have restrictive low-density requirements and lot design standards, which in essence hamper the production of affordable housing units. In addition, the application of suburban standards for subdivision development may also result in a lack of affordable housing production.

The federal courts have sent a strong message: remove exclusionary provisions in local zoning ordinances. However, in Georgia there is little statutory support to enable inclusionary zoning. Since litigation has not proven the state’s position on these measures, local Georgia governments must act warily when incorporating inclusionary provisions. Thus, while zoning offers an opportunity to provide orderly and compatible growth, excessive restrictions, stipulations, and provisions may in the end be a detriment to affordable housing development.

(2) Building Codes

The Uniform Codes Act is codified at chapter 2 of title 8 of The Official Code of Georgia Annotated. O.C.G.A. Section 8-2-20(9)(B) identifies the fourteen “state minimum standard codes”. Each of these separate codes typically consists of a base code (e.g. The Standard Building Code as published by the Southern Building Code Congress International) and a set of Georgia amendments to the base code. Georgia law further dictates that eight of these codes are "mandatory" (are applicable to all construction whether or not they are locally enforced) and six are "permissive" (only applicable if a local government chooses to adopt and enforce one or more of these codes). These codes are as follows:

¹⁰⁰ Staff, “Ease Zoning for Housing Diversity,” *Atlanta Journal Constitution* 27 (Apr. 2004): A10.

Mandatory Codes:

- Standard Building Code;
- National Electrical Code;
- Standard Gas Code;
- Standard Mechanical Code;
- CABO One-and-Two Family Dwelling Code;
- Georgia State Energy Code for Buildings;
- Standard Fire Prevention Code;
- Standard Plumbing Code

Permissive Codes:

- Standard Housing Code;
- Standard Amusement Device Code;
- Excavation and Grading Code;
- Standard Existing Buildings Code;
- Standard Swimming Pool Code;
- Standard Unsafe Building Abatement Code.

As noted above, the building, electrical, gas, mechanical, plumbing, CABO one-and-two family dwelling, energy and fire codes are mandatory codes, meaning that under Georgia law, any structure built in Georgia must comply with these codes, whether or not the local government chooses to locally enforce these codes. In addition, since Georgia law gives the enumerated codes statewide applicability, local governments do not have to (and, in fact, should not) adopt the mandatory codes in order to enforce them (O.C.G.A. Section 8-2-25(a)). However, the local government can choose which of the mandatory codes it wishes to locally enforce.

The remaining codes are referred to as permissive codes. Unlike the mandatory codes, in order for a local government to enforce one or more of these permissive codes, that code or codes must be adopted, either by ordinance or resolution, by the local jurisdiction. A copy of the ordinance or resolution adopted must be forwarded to DCA (O.C.G.A. Section 8-2-25 (b)).

Building codes serve a purpose – to increase the quality of housing. However, these standards can increase the cost of construction and thus impact affordability. The building code barrier is especially problematic in terms of housing rehabilitation. For instance, rehabilitation that is affordable may be hampered by building codes that require excessive renovation.

A few cities in the Metro Atlanta area are striving to maintain the quality of housing in their cities through inspection ordinances. These ordinances, passed in the hopes of alleviating substandard housing, require landlords to obtain a building code and safety inspection on rental units. Property owners are responsible for the costs associated with these inspections. Unfortunately, these ordinances may cause rental prices to increase, with the landlords passing the costs of the inspections and subsequent repairs (if any) on to the renters. These ordinances are also being challenged in court by various parties.

(3) Fees and Charges

Development fees significantly impact housing in Georgia. As with other housing regulations, balancing the jurisdiction's need for revenue against the impact of these fees on housing costs is an ongoing effort. Although each regulation serves a valid public purpose, the fees and other costs associated with meeting these regulations add to the cost of housing. For instance, a 2002 article from the *Atlanta Business Chronicle* noted that impact fees in certain Georgia jurisdictions can add as much as \$3,500 to the cost of a new home.¹⁰¹ These fees, consequently, hamper the development of affordable housing and may even lead to sprawl as developers seek to build houses elsewhere.

The need to comply with zoning and subdivision requirements requires developers to increase personnel, adding both salary and application processing costs. In addition, the developer must often halt or slow construction until planning and zoning departments review submitted applications. This delay increases the costs associated with both new housing development and existing housing rehabilitation. Plan review and inspection fees can also be excessive. Efforts by local governments to streamline this application process will reduce costs and increase access to affordable housing. In addition, coordinating the approval process among regulatory agencies will also enhance this process.

(4) Tax Policies

Residential real estate taxes serve as a major funding source for Georgia's local governments and boards of education. At the same time, these taxes increase the cost of all housing, whether through increased rents or through a homeowners payment of taxes on the owned housing unit.

(5) Transportation

The availability of transportation influences where people can live. Consequently, the cost of and availability of transportation to work, shopping, and other services is a factor that also limits housing choice and affordability, especially for individuals with low incomes. For nearly four million urban and rural residents in Georgia, public transportation may be their only means of mobility.¹⁰² Unfortunately, rural areas and many suburban areas have little to no access to public transportation. According to the Georgia Department of Transportation, a long-range goal of the Georgia Statewide Transportation Plan is to expand rural public transit programs across the state.¹⁰³

¹⁰¹ Phil Kent, "Impact Fees: Let Courts Be the Judge," *Atlanta Business Chronicle* 19 (Jul. 2002): n. pag. Available online: <http://www.bizjournals.com/atlanta/stories/2002/07/22/editorial4.html>

¹⁰² Georgia Department of Transportation, Office of Communications, *Fact Book 2003* (Atlanta, GA: Author, 2003) 34.

¹⁰³ Georgia Department of Transportation 35.

(6) Federal Policies

Three federal policies directly inhibit the development of affordable housing in Georgia. First of all, low area median incomes (AMIs) in rural counties make it difficult to use tax credit financing for rural affordable housing. Secondly, the rehabilitation of units using HOME funds necessitates that all systems be brought up to new construction standards. Unfortunately, this requirement is very costly and extremely prohibitive in keeping up with the housing rehab needs of many Georgians. Thirdly, HOME funds cannot be used for accessibility upgrades only. In order to add accessibility features to a home, the entire home has to be brought up to the current housing codes. Again, this requirement is very costly and keeps many low-income Georgians from receiving much needed accessibility assistance.

_Source: Georgia Department of Human Resources, Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia

Note: The eight-county Metro Atlanta area includes the Marietta, Fulton, Clayton, Gwinnett, and DeKalb districts. Districts that include a small metropolitan statistical area (MSA) are Albany, Athens, Augusta, Columbus, Macon, and Savannah.

G. GEORGIA'S LEAD-BASED PAINT HAZARDS

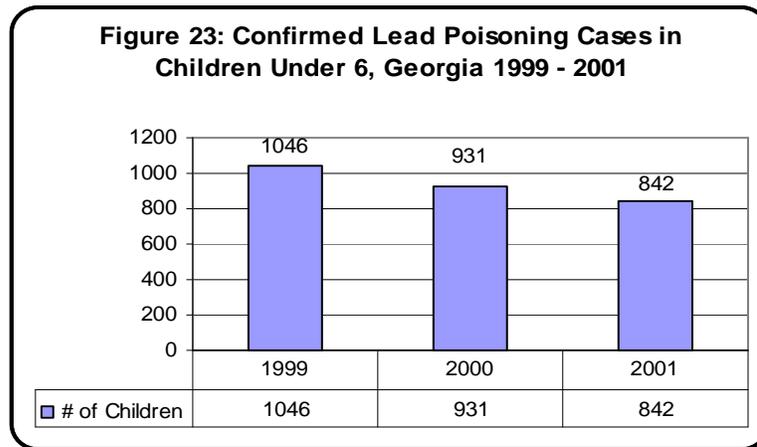
Lead has virtually been eliminated from gasoline, food cans, and post-1978 residential paint in the last two decades. This has contributed to reductions in blood lead levels among children and adults in the nation's population. However, pre-1978 deteriorating lead-based paint, lead-based paint in homes undergoing renovation or repair, lead-contaminated dusts and soils, and lead taken home by parents from a lead-related industry remain important sources of childhood lead exposure.

The Centers for Disease Control and Prevention (CDC) states that lead-based paint is the most common environmental health hazard to young children.¹⁰⁴ When lead enters the bloodstream of a child, this poison can cause serious physiological damage. High levels of lead poisoning may result in severe mental retardation, kidney impairment, and reproductive damage. Low levels of exposure can result in learning and reading disabilities.

Laboratories and healthcare providers are required to notify the Georgia Lead Poisoning Prevention Program (GLPPP) of all persons, regardless of age, with a blood lead level greater than or equal to 10 ug/dL. However, the GLPPP encourages that all blood lead results be reported to the program. The CDC has established an intervention level of 10 ug/dL of whole blood, a point at which adverse health effects have been documented.

¹⁰⁴ David E. Jacobs, et al, *Guidelines for the Evaluation of and Control of Lead-Based Paint Hazards in Housing* (Washington, DC: U.S. Department of Housing and Urban Development, June 1995) 1-5. Available online: <http://www.hud.gov/offices/lead/guidelines/hudguidelines/Ch01.pdf>

From 1999 to 2001, at least 2,819 children ages 6 and under have been identified with elevated blood lead levels (counties with less than 5 cases of elevated blood lead levels were not reflected in this number – see Figure 23).



Source: Georgia Department of Human Resources

Fulton County had the highest number of cases of lead poisoning in children during this time period (535), whereas Chatham and Appling had the next highest number of cases (357 and 315, respectively). The number of lead poisoning cases has declined every year since 1999. However, according to consultation with the GLPPP, it is believed that the actual number of lead poisoning cases is actually higher than those reported. A lack of testing is believed to be one major reason for this discrepancy.

It was once commonly believed that the most common exposure to lead-based paint resulted from the chipping or peeling of improperly maintained painted surfaces or from chewing on a window sill or door frame covered with lead-based paint. However, lead dust is now considered an equally common and dangerous source of exposure in children. Friction surfaces (doors, windows, and stair treads) covered with lead-based paint generate lead dust. This dust can coat a child's fingers and toys and subsequently be ingested by the child.

However, the mere presence of lead-based paint does not mean that lead poisoning will occur. The condition of the painted surfaces, their location, and the maintenance practices of the household all determine whether the lead-based paint presents an immediate threat. If surfaces covered with lead-based paint are not defective (chipping or peeling), are out of reach of children (over five feet from the floor), and are well maintained (been consistently washed with high-phosphate detergent and periodically vacuumed with a high-efficiency particulate air system), the lead-based paint does not constitute a hazard or an immediate threat to the health of the occupants.

Many residential properties built before 1979 contain lead-based paint. Unfortunately, it is difficult to measure the exact number of housing units with lead-based paint hazards for many reasons. First, the manufacturing and sale of lead-based paint was slowly reduced in the United States over a long period of time until it ended in 1979. Second, no house-to-house paint inspection has ever occurred.

Fortunately, it is possible to estimate the number of units with lead-based paint based on the age of the housing stock. In 1990, HUD estimated that 90% of privately owned units built before 1940, 80% of units built between 1940 and 1959, and 62% of units built between 1960 and 1979 contain some lead-based paint.¹⁰⁵ By using these percentages when assessing the situation in Georgia, at least 35% of Georgia’s housing units are estimated to be contaminated with lead-based paint (see Table 23).

Table 23: Estimated Total Housing Units in Georgia with Lead-Based Paint

Year House Built	Total Units	Estimated Number of Units with Lead-Based Paint
Pre-1940	192,972	173,675
1940 - 1959	427,488	341,990
1960 - 1979	1,024,973	635,483
TOTAL	1,645,433	1,151,148

Source: U.S. Census Bureau, *Census 2000*

The following list identifies the twelve counties targeted as “high-risk” for lead poisoning hazards by the Georgia Lead Poisoning Prevention Program. These counties were selected based on the age of the housing stock and the numbers of children with elevated blood lead levels residing there.

- Bibb
- Chatham
- Cobb
- DeKalb
- Fulton
- Glynn
- Gwinnett
- Hall
- Richmond
- Sumter
- Thomas
- Troup

¹⁰⁵ David E. Jacobs 3-7.

Low-income households that earn between 0 and 50% of MFI are least able to afford well-maintained housing and therefore are often at greater risk of lead poisoning. Using 2000 Census data for the number of housing units by tenure and year built, along with 2000 CHAS data for the distribution of housing units by age, tenure, and income group, the state found that almost 303,391 housing units occupied by low-income households are believed to have lead-based paint hazards.

This problem almost equally impacts owners and renters with low and moderate incomes. Forty-five (45%) of these units are occupied by low-income owners. The remaining 55% are occupied by renters.

Section V: Five-Year Strategic Plan

A. OVERVIEW OF GEORGIA'S HOUSING AND COMMUNITY DEVELOPMENT PRIORITY NEEDS

The Strategic Plan delineates the state's general priorities for assisting low- and moderate-income residents based upon the analysis of their housing needs and the state's housing market conditions. This section also presents the state's strategy and actions to be taken over the five-year period of the Consolidated Plan to meet the housing and community development needs of Georgia's extremely low, low-, and moderate-income households.

The state's housing needs, as addressed in the previous sections, are long-standing. No short-term solutions will adequately address the problems, nor can the anticipated level of federal resources have a significant impact in the short term. As a result, a five-year time frame has been chosen for the Strategic Plan, the maximum term permissible under Consolidated Plan regulations.

The needs analysis and strategy were developed in consultation with the Consolidated Plan Roundtable participants, along with many others who provided information and opinions to the state. This process resulted in the establishment of the following general statements of priority need, which are of equal importance and form the basis of Georgia's strategy. For the purposes of this plan, the state divided its priorities into two categories based on function: priorities targeted to directly benefit low- and moderate-income households and priorities aimed at improving the production capacity of Georgia's affordable housing providers. The following listing is not reflective of any ranking. The state recognizes an equally high weight to the importance of each statement.

Direct Benefit Priorities

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

- To increase the access of Georgia's elderly population to a continuum of housing and supportive services which address their housing, economic, and social needs.
- To provide assistance to local governments to meet their non-housing community and economic development needs.

Production Improvement Priorities

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

The state recognizes that its efforts to improve the production of housing and supportive service providers will be reflected in the number of households which 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.

The following sections outline Georgia's five-year Strategic Plan to address its housing and community development priorities, objectives, activities, and investment plan by program area.

B. STRATEGIES TO ADDRESS GEORGIA'S AFFORDABLE HOUSING NEEDS

(1) Summary of Georgia's Affordable Housing Needs and Market Analysis

Georgia's housing stock has remained relatively affordable when compared to many other areas of the nation. However, the costs of the average home and average rent payment have far exceeded income gains of the average Georgian.

This trend most significantly affects low-income households where cost burden is most significant, affecting 61% of Georgia's extremely low, 53% of its low-, and 33% of its moderate-income households. Households earning less than 80% of the state's median family income represent approximately 40% of all households in Georgia.

Georgia's elderly households are the poorest of all household categories examined within this Consolidated Plan. Just over 58% of all elderly households are of moderate income or below. As with all household groups, housing problems generally decrease for elderly households as their incomes increase. Cost burden is the most common housing problem, affecting 27% of all elderly households. This issue places them in danger of losing their independence and makes it more likely that they will not be able to keep their homes safe and accessible.

Georgia's small families are its largest household category and are generally its most wealthy. Higher income small families account for 69% of all household types within the middle- to higher-income category. However, approximately 31% of Georgia's small families are of extremely low, low, or moderate income. At least 467,454 small family households are at or below moderate income. Housing problems are a major issue for both small family renters and homeowners. Almost 77% of extremely low and 68% of all low income small family renters, and nearly 74% of small family owner households with extremely low incomes have housing problems. Cost burden is by far the most recurrent issue.

Georgia's large families constitute only 10% of all households within the state, and 11% of those with incomes 80% or less of the median family income. Approximately 41% of large family households are of low or moderate income. In general, large families have more difficulty achieving homeownership than all other households. Only 30% of Georgia's large families of low or moderate income are homeowners. Overcrowding and cost burden are the most significant issues affecting large families. Almost 70% of all large families at or below moderate income level have some housing problem.

Although Georgia has a very diverse ethnic and racial mixture, data shows evidence of disproportionate need for Hispanic households across all income categories and household types, regardless of tenure. As defined by HUD, a disproportionate need exists for a specific racial or ethnic group if the percentage of that racial or ethnic group's households within a particular category of need is at least ten percentage points higher than found in the category as a whole.

Just as Georgia's household types differ, the state's housing stock differs between regions, as well. Generally, the housing stock in rural areas is older than housing in the state's urban regions. Region 8, which borders Alabama, had the oldest housing in the state with 28% of units at least 40 years old in 2000. Conversely, Region 2, which borders North Carolina and South Carolina, had the newest housing in the state. As of 2000, almost 40% of its housing units were built within the last 10 years.¹

Single-family units were the most prevalent housing type statewide in 2000, with a 67.2% share of the housing market. Multifamily units and mobile/manufactured units were situated throughout the state, as well. For instance, Region 3, which encompasses the Atlanta MSA, claimed the lowest percentage of mobile/manufactured homes in the state. On the other hand, Region 9 – a region that does not contain even one MSA – had the highest percentage of mobile/manufactured homes.

Many variables influence the demand for housing. The tremendous growth in Georgia's population especially translates into strong demand for new housing units. Projections show that the total increase in demand for housing is anticipated to be just over 525,000 new units from 2000 to 2010. Housing demand for low- and moderate-income households is estimated to make up 72% of these new units, or approximately 379,103 new housing units.

(2) Priority Housing Needs

Table 36 outlines Georgia's priority needs in accordance with the table prescribed by HUD. Georgia's priority needs were determined based on an examination of the data presented in

¹ Karen Tinsley and Brenda Cude 41.

the previous sections of this plan. Generally in Georgia, the housing problems of both renters and homeowners of all household types increase as incomes decrease. Households earning incomes of 50% or less of the state's median family income have the most difficulty in overcoming a housing problem without outside assistance. Consequently, the state places a high priority on addressing the needs of these extremely low and low-income households.

Moderate-income households generally have a slightly better ability to address housing problems. However, since housing problems greatly affect large family households with moderate incomes, they are given a high priority. The state has designated the other moderate-income households with lower concentrations of housing problems as a medium priority.

In establishing these priorities, Georgia will be able to address housing issues without restricting the type of assistance provided to any one area of the state or to any one particular group of low- or moderate-income households. Thus, Georgia will be able to work toward eliminating the housing problems of all low- income households without neglecting the needs of its moderate-income families and individuals.

Table 36: Priority Housing Needs (HUD Table 2A)

PRIORITY HOUSING NEEDS (households)	Priority Need Level High, Medium, Low		Unmet Need*	Goals	
Renter	Small Related	0-30%	H	94,807	22,423
		31-50%	H	78,020	7,823
		51-80%	M	110,997	1,916
	Large Related	0-30%	H	26,056	6,229
		31-50%	H	23,388	2,480
		51-80%	H	32,003	579
	Elderly	0-30%	H	54,523	13,255
		31-50%	H	29,972	3,263
		51-80%	M	20,247	406
	All Other	0-30%	H	85,117	20,554
		31-50%	H	55,407	5,724
		51-80%	M	93,389	1,604
Owner	0-30%	H	434,774	6,344	
	31-50%	H	378,085	7,565	
	51-80%	M	617,278	14,609	
Special Needs	0-80%	H	392,665	25,200	
Total Goals				139,974	

Total 215 Goals	139,974
Total 215 Renter Goals	86,256
Total 215 Owner Goals	28,518

* Estimated number of households in need of assistance from 2005 to 2010 derived from 2000 CHAS data. See Section III Part A.

(3) Obstacles to Meeting Underserved Needs

Many obstacles exist to meeting Georgia's affordable housing needs. The following points highlight some of these issues; however, because of the complex nature of housing issues, many other circumstances may exist which prevent the market from adequately providing affordable housing. Therefore, this list cannot be considered exhaustive but outlines some of the important obstacles to providing affordable housing in Georgia.

- High land and construction costs in certain areas decrease the ability of housing providers to build affordable housing for low- and moderate- income households.
- Interest rates are presently at record lows. However, future interest rate increases will decrease the ability of low- and moderate-income householders to access structurally standard housing meeting the income and size requirements of the household.
- Low fair market rents established by HUD are often too low in many of the state's rural areas to make new construction of affordable, multifamily housing financially viable. The rents frequently are well below the cost to construct and maintain a unit and, thus, prohibitive to constructing new multifamily housing.
- Appraisal values on properties are often lower than rehabilitation costs, making some projects financially infeasible.
- Not In My Back Yard (NIMBY) reactions by citizens and subsequent policies of local governments discourage and prohibit development of affordable housing opportunities, particularly for special need and homeless populations, in certain neighborhoods and communities.
- Discriminatory behaviors discourage development of affordable housing.
- Unwillingness of substandard property owners to maintain and improve housing conditions to levels determined to be decent, safe, and sanitary.
- Existing liens for back taxes and special assessments and the inability to obtain clear title to a property prevent housing development in many inner- city neighborhoods, causing further blight and decline.
- Reluctance of some households, particularly the elderly, to assume additional debt and further encumbrance in order to rehabilitate their homes.
- The cost of housing and other necessities are often too high in comparison with the

- earnings of a low-income family to enable them to obtain and maintain safe and sanitary housing.
- Limited technical capacity and financial resources of nonprofit housing providers constrains their ability to meet affordable housing needs.
 - Difficulty in securing subcontractors impedes the development of affordable housing opportunities.
 - Competition with college students for housing in “college towns” decreases the amount of affordable housing available to low- and moderate-income households.
 - Multiple levels of financing packages for construction/permanent loans and closings increase the complexity of affordable housing development.
 - Lack of adequate and suitable funding sources prohibits the financing of accessibility modifications for elderly and disabled households. Federal regulations require entities to bring the entire unit up to specified rehabilitation standards and other standard codes in order to provide accessibility modifications.
 - Coordination of support service funding, construction financing, and rental assistance is required for the development of supportive housing, but is difficult to obtain due to conflicting program requirements and deadlines.

(4) Geographic Allocation of Housing Funds

While the geographic allocation of funds based on market conditions is an important consideration, Georgia's program resources designed to preserve and expand the supply of affordable housing alternatives for low- and moderate- income households are awarded based on guidelines established for each state program.

Consolidated Formula Funds

DCA administers the state's CDBG program only within non-entitlement communities. Georgia's entitlement communities receive a direct allocation of CDBG funds from HUD. DCA competitively awards its CDBG funds and, therefore, the nature and quality of the application is the major funding determinant.

Although participating jurisdictions receive a direct allocation of HOME funds from HUD, DCA administers all but one of its HOME funded programs (the Community HOME Investment program) throughout the state. In order to encourage the development of affordable housing opportunities within certain areas, some HOME-funded programs operated by DCA enhance the competitiveness of applications for projects located within designated rural or urban revitalization areas. Despite this enhancement, the nature and quality of the entire application remains each program's major funding determinant.

Other Available Funds

The Low Income Housing Tax Credit is competitively allocated statewide. The Tax Credit is also allocated jointly with HOME Rental Housing Loan funds through a competitive scoring process outlined in the Qualified Allocation Plan (see Appendix E).

DCA administers the state's allocation of Housing Choice Vouchers in 149 of Georgia's 159 counties. In the remaining counties, local public housing authorities administer the program.

The state's Georgia Dream program sets aside a minimum of 20% of its bond funds for use in Areas of Chronic Economic Distress (ACEDs) which are designated by the State of Georgia and approved by HUD and the U.S. Internal Revenue Service (IRS). Currently, 81 counties are designated as ACEDs:

Appling	Greene	Quitman
Atkinson	Hancock	Randolph
Bleckley	Haralson	Schley
Brooks	Heard	Screven
Bulloch	Irwin	Stewart
Burke	Jasper	Sumter
Calhoun	Jefferson	Talbot
Charlton	Jenkins	Taliaferro
Chattooga	Johnson	Tattall
Clay	Lamar	Taylor
Clinch	Laurens	Telfair
Coffee	Lincoln	Terrell
Colquitt	Long	Thomas
Cook	Macon	Treutlen
Coweta	Marion	Turner
Crawford	McDuffie	Twiggs
Crisp	McIntosh	Upson
Decatur	Meriwether	Ware
Dodge	Miller	Warren
Dooly	Mitchell	Washington
Early	Montgomery	Wayne
Echols	Morgan	Webster
Elbert	Newton	Wheeler
Emanuel	Oglethorpe	Wilcox
Evans	Peach	Wilkes
Fannin	Polk	Wilkinson
Grady	Pulaski	Worth

In addition, various census tracts throughout Georgia are considered Targeted Areas for the Georgia Dream program. DCA relies upon the appraiser's identification of the census tract in determining whether the loan is eligible for Targeted Area funds. Furthermore, 32 Neighborhood Strategy Areas (NSAs) and one Urban Development Action Grant (UDAG) Area are also considered Targeted Areas for this program.

(5) Georgia's Five-Year Affordable Housing Priorities, Objectives, and Investment Plan

In light of the housing needs and market conditions identified through the consolidated

planning process, Georgia has established the following five-year priorities, objectives, and investment plan in an effort to promote the affordable housing opportunities available for its low- and moderate-income households. The Georgia Department of Community Affairs (DCA) will distribute CDBG, HOME, ADDI, ESGP, and HOPWA funds according to the state's annual Action Plan contained within this Consolidated Plan.

(NOTE: The following description of priorities and objectives includes only those state affordable housing priorities which directly benefit low and moderate income households and for which quantitative objectives can be determined. The state's priorities associated with improving production that have not been quantitatively objectified are described in other sections of the Strategic Plan. In addition, the figures provided to quantify the state's objectives include projections only for the programs funded by HUD for which the state administers directly. Therefore, only estimates for programs funded by CDBG, HOME, ADDI, ESGP, HOPWA, HUD Housing Counseling, and Housing Choice Vouchers are incorporated into the state's quantified objectives. The state anticipates providing additional assistance through other funding sources to low- and moderate- income households or organizations serving this population).

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

Objective #1: **Construct** affordable rental housing units for 90 extremely low, 525 low-, and 1,065 moderate-income households.

Federal Funds

HOME Rental Housing Loan Program
HOME Rural Rental Housing Development Fund
Permanent Supportive Housing Program
HOME CHDO Predevelopment Loan Program
Regular Annual CDBG Competition

State Funds

HOME Rental Housing Loan Program
Permanent Supportive Housing Program
Georgia Housing Tax Credit

Other Funds

Low Income Housing Tax Credit Program

Objective #2: **Rehabilitate** affordable rental housing units for 35 extremely low, 75 low-, and 30 moderate-income households.

Federal Funds

HOME Rental Housing Loan Program
Permanent Supportive Housing Program
HOME CHDO Predevelopment Loan Program
Regular Annual CDBG Competition

State Funds

HOME Rental Housing Loan Program
Georgia Housing Tax Credit

Other Funds

Low Income Housing Tax Credit Program

Objective #3:

Provide 62,160 extremely low, 18,480 low-income, and 3,360 moderate-income households with **rental assistance**.

Federal Funds

Housing Choice Voucher Rental Assistance program
Shelter Plus Care

State Funds

Housing Trust Fund

PRIORITY:

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

Objective #4:

Assist 27 low-income and 238 moderate-income households with the **construction of housing** so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Federal Funds

Single Family Development Program
Community HOME Investment Program (CHIP)
Regular Annual CDBG Competition

State Funds

Single Family Development Program

Objective #5:

Assist 245 extremely low, 403 low-, and 231 moderate-income households with **rehabilitation** so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Federal Funds

Community HOME Investment Program (CHIP)
Regular Annual CDBG Competition
Single Family Development Program

State Funds

Single Family Development Program

Objective #6:

Assist 100 extremely low, 550 low-, and 1,725 moderate-income households (including 1,800 minority households) with **down payment assistance** and 25,000 with **home buyer education** to achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Federal Funds

Georgia Dream Second Mortgage Program
Rural Development Georgia Dream Second Mortgage Program
CHOICE Program
Efficient or Visitable Program
PEN Program
Home At Last Program
Single Family Development Program
Community HOME Investment Program (CHIP)
Regular Annual CDBG Competition
Home Buyer Education
Section 8 Housing Choice Voucher Program

State Funds

Georgia Dream Second Mortgage Program
Rural Development Georgia Dream Second Mortgage Program
CHOICE Program
PEN Program
Home At Last Program
Georgia Dream First Mortgage Program
Rural Development Leveraged Loan Program

Other Funds

Georgia Dream First Mortgage Program
Home Buyer Education
Rural Development Leveraged Loan Program

PRIORITY:

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

Objective #7:

To increase the number of Spanish-speaking households assisted under all programs by 100 percent.

Activities to Meet Objective

- Establish partnerships with organizations that assist the Spanish-speaking community.

- Implement a procedure to forward calls from Spanish-speaking individuals to a dedicated phone line where they can receive information about assistance.
- Produce additional brochures in Spanish to inform the Spanish-speaking population of assistance available through DCA.
- Implement a Spanish version of DCA's current website.
- Provide housing counseling and home buyer education.

Federal Funds

HOME Administrative Funds
Housing Counseling Grant

State Funds

GHFA

C. STRATEGIES TO ADDRESS THE NEEDS OF GEORGIA'S HOMELESS

(1) Summary of Georgia's Homeless Population and Needs

Efforts to estimate homelessness through the state's Continuum of Care process and from annual data indicate approximately 30,000 – 51,087 individuals per year are homeless statewide. On the night of March 12 through the morning of March 13, 2003, approximately 6,956 homeless persons were counted in the Tri-Jurisdictional area (City of Atlanta, DeKalb County, and Fulton County), and it is estimated that 16,625 people in Atlanta will be homeless annually.² At this time, no universally accepted enumeration of the homeless population exists at the local, state, or national level.

The estimated number of homeless individuals and family members served by DCA funded housing and support services from July 2002 to June 2003 was 51,057. Of this group, approximately 34,208 individuals and 16,849 persons in families received shelter or transitional housing. These programs served individuals statewide. Also in SFY2003, an estimated 5,589 beds were served with DCA funds in Georgia. Of those served, 70% were located within the Atlanta MSA, leaving 1,700 served throughout the balance of the state. According to the state's Continuum of Care Plan, the balance of the state has only 68% of the needed emergency shelter beds/units for homeless individuals and persons in families with children and 23% of the transitional housing beds/units needed for homeless individuals and persons in families with children.

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 for all of the jurisdictions within the continuum. 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), which is discussed at length in the following section.

² Applied Survey Research 11.

Although enumerating the homeless population is difficult at best, it is possible to create a basic picture of the characteristics of the homeless. In reviewing the numbers of persons homeless at a “point in time” or “over the course” of a year, two different general descriptions of the nation’s homeless population emerges. According to the National Alliance to End Homelessness, at any point in time, 66% of homeless persons are single adults/individuals and 34% are persons in families.³

Over the course of a year, approximately 38% of all homeless individuals are children under the age of 18, 12% are their parents, and the other 50% of the homeless are single adults. Homeless families generally obtain housing as quickly as possible after becoming homeless. Of all homeless adults, 81% enter and exit the homeless system quickly, 9% enter and exit the homeless system repeatedly (utilizing 18% of the system’s resources), and 10% basically live in the homeless system utilizing nearly half of the system’s resources.

Geographically, homelessness is more prevalent in the central cities when compared to those areas considered poor nationwide. With housing prices typically higher in urban areas access to affordable housing is a central key to addressing homelessness. Other housing needs of the homeless include additional spaces in emergency shelters and other housing, especially in facilities that do not have time limitations; transitional housing geared specifically to young adults over the age of 18; and shelters accessible by all household types. Additional needs include rental deposit assistance, utility bill payment and deposits, and long-term lease or lease purchase arrangements for households leaving transitional housing.

Because of the complex and varied nature of homelessness, a wide continuum of supportive services is required to prevent and move persons away from homelessness. Services such as case management, employment training, alcohol/drug treatment, and financial planning are needed. Other necessary supportive services may include food, clothing, and public transportation.

Persons threatened with homelessness are found across a wide variety of populations. In this category, the Consolidated Plan focuses primarily on those with incomes less than 30% of the median family income and those who spend more than 50% of their income on housing. Persons living with AIDS are included in this category, as are those involved in situations of domestic violence. Each year, DCA makes funds available to local governments and nonprofit organizations to prevent the incidence of homelessness. In SFY2003, 29 organizations received these funds.

Georgia’s Homeless Population Summary Table

As stated earlier, no definitive enumeration exists of Georgia's homeless because of the dynamic nature of this population. While many homeless individuals utilize emergency shelters and transitional housing facilities, quantifying the extent of Georgia's entire homeless population who is either unsheltered or staying with family or friends is difficult at best. With this consideration, Part 1 of Table 37 estimates the number of homeless individuals utilizing emergency shelters and transitional housing facilities across the state. These numbers are based on estimates and percentages defined in Georgia’s Continuum of Care Plan. Appendix

³ National Alliance to End Homelessness, *A Plan, Not A Dream: How to End Homelessness in Ten Years* (Washington, DC: Author, n.d.) 3. Available online: <http://www.endhomelessness.org/pub/tenyear/10yearplan.pdf>

J explains the methodology utilized to adapt these figures for the entire state as well as the source for estimates in Part II of Table 37. The state of Georgia recognizes that the estimates in this table do not adequately identify the extent of homelessness in Georgia.

Table 37: HUD Table 1 A - Georgia's Homeless and Special Needs Populations

Continuum of Care: Housing Gaps Analysis Chart

		Current Inventory in 2003	Under Development in 2003	Unmet Need/ Gap
Individuals				
Beds	Emergency Shelter	365(A)	0	172 ⁽¹⁾
	Transitional Housing	516(A)	0	1,727 ⁽²⁾
	Permanent Supportive Housing	276(A)	491(A)	483 ⁽³⁾
	Total	1157(A)	491(A)	2,382
Persons in Families With Children				
Beds	Emergency Shelter	578(A)	0	272 ⁽¹⁾
	Transitional Housing	676(A)	57(A)	2,206 ⁽²⁾
	Permanent Supportive Housing	509(A)	844(A)	1,410 ⁽⁴⁾
	Total	1763(A)	901(A)	3,888

Notes to Housing Gaps Analysis Chart:

- (1) 365 beds for individuals and 578 beds for families represent 68% of need.
- (2) 516 beds for individuals and 676 beds for families represent 23% of need.
- (3) Need of 698 beds + current inventory of 276, less 491 under development for individuals.
- (4) Need of 1745 beds + current inventory of 509, less 844 under development for families.

Continuum of Care: Homeless Population and Subpopulations Chart

<i>Part 1: Homeless Population</i>	<i>Sheltered</i>		<i>Unsheltered</i>	<i>Total</i>
	<i>Emergency</i>	<i>Transitional</i>		
1. Homeless Individuals	365(A)	516(A)	1,018(E)	1,899
2. Homeless Families with Children	231(A)	270(A)	25(E)	526
2a. Persons in Homeless Families with Children	578(A)	676(A)	62(E)	1,316
Total (lines 1 + 2a)	943(A)	1,192(A)	1,080(E)	3,215
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total

1. Chronically Homeless	698(E)	2,185(E)	6,956
2. Seriously Mentally Ill	166(A)		
3. Chronic Substance Abuse	1310(A)		
4. Veterans	187(A)		
5. Persons with HIV/AIDS	62(A)		
6. Victims of Domestic Violence	291(A)		
7. Youth	21(A)		

(2) Georgia’s Strategy to Meet the Needs of the Homeless

State Housing Trust Fund for the Homeless

The state of Georgia places a high priority on addressing the needs of the state’s homeless population. It also seeks to prevent other families and individuals from becoming homeless. As such, the State Housing Trust Fund for the Homeless (HTF) was created in 1987 based upon the recommendation of the Special Study Committee on the Problems of Homelessness in Georgia. The Governor appointed the first HTF Commission in 1990, and the Georgia General Assembly authorized its first appropriation of \$5 million for SFY1991. The HTF continues to receive support each year from the Governor and the Legislature. Most importantly, the HTF provides matching funds for the ESG Program.

Since 1998, the Georgia Department of Community Affairs has prepared a Balance of the States Continuum of Care Plan. This plan enables DCA, other state agencies, local governments, and local mainstream providers to access homeless assistance funds – not just HUD funds, but funds of all types – to assist all homeless persons, regardless of whether or not they are being served by HUD programs.

Two separate state entities conduct state funded homeless assistance programs. Activities funded by the State Housing Trust Fund for the Homeless and administered by the Georgia Department of Community Affairs (DCA) focus on housing and shelter needs while the Georgia Department of Human Resources (DHR) principally provides health and human services. A Special Study Committee recognized this division of responsibilities as superior to the creation of any administrative agent with the single purpose of addressing homeless needs outside of existing programs.

Georgia Interagency Homeless Coordination Council

The Georgia Academy for State and Local Policymakers began meeting in 2002 and in that year authored the *State of Georgia Homeless Action Plan to End Homelessness in Ten Years*. The Action Plan was presented to the Commissioners of DCA, DHR, and the Georgia Department of Community Health. Since Governor Perdue assumed office in January 2003, the Academy has held numerous meetings with him. As a result of this work, an Executive Order from the Governor establishing the Georgia Interagency Homeless Coordination Council (GIHCC) was issued February 11, 2004. Co-chairs include DCA Commissioner Michael Beatty, DHR Commissioner B.J. Walker, and DCA Division Director Terry Ball. Members of the council represent widely diverse state agencies, entities, and policymakers. Members of the GIHCC were appointed soon following the Executive Order and began meeting on April 9, 2004. Currently, the state of Georgia is concentrating on efforts to address homelessness early on (via outreach) or through prevention methods. The state is also working to develop new supportive housing. DCA is committed to the 10 year plan and

is working to address *front and back door* issues as a primary strategy (closing the front door in to homelessness and opening the back door into housing).

The GIHCC has addressed each specific goal and action step in the Action Plan through monthly meetings in May, June, and July of 2004. A planning sub-committee met in July 2004 to draft revisions and recommendations to the Action Plan which was discussed at the August 2004 meeting. The Governor's deadline for the Council's review of the Action Plan and any proposed revisions was September 30, 2004.

Homeless persons and service providers in Georgia have been and will continue to be positively affected by the industrious work of the GIHCC. Ongoing work is focused on ending chronic homelessness; policies that will eliminate discharging clients back into homeless situations; improving state agency coordination; improving access to SSI with a consideration given to presumptive eligibility; evaluation of fiscal effectiveness; effective homeless prevention policies; and coordination strategies that will best achieve the Council and the Governor's goals for ending chronic homelessness in Georgia by 2012.

Homeless Management Information System

Georgia's diverse homeless population requires multiple specialized and mainstream services – working together – to end episodes of homelessness and chronic homelessness. Collaboration and communication between key agencies is necessary to identifying and addressing homelessness issues on the individual and community levels. In the 2002 Balance of the State Continuum of Care, DCA was awarded funds from HUD for a comprehensive, statewide Homeless Management Information System (HMIS) initiative. The purpose of HMIS, as mandated by Congress, is to generate an unduplicated count of each Continuum of Care's homeless population. However, this data will benefit the community in many other ways.

As data is accumulated over time, a much more comprehensive picture will appear of the homeless population's needs and demographics. Moreover, these needs and demographics can be tracked over time to see how they change. This data will allow Georgia's departments and agencies to better allocate resources and serve their communities in their mission to end homelessness. Through this HUD grant, DCA has provided funding to eligible agencies to assist with hardware procurement, Internet connection fees, and supportive software to make this project successful.

The lead agency for this HMIS implementation is DCA. Its principal partner is Pathways Community Network, Inc., an Atlanta-based nonprofit software developer. This partnership has resulted in a solid HMIS presence in each of Georgia's Continuums. In carrying out this program, DCA and Pathways will be assisted by an advisory group consisting of representatives from other state agencies; state coalitions (homeless, domestic violence, etc.); local provider coalitions; Georgia Alliance of Information and Referral Services (GAIRS) representatives; homeless service agencies; entitlement representatives; and agencies leading Continuums of Care. DCA will involve homeless or formerly homeless persons in this process to the maximum extent feasible.

Pathways "Compass" is a homeless management information system designed for use, through the Internet, by organizations of various sizes and service capabilities. Organizations pay an annual participation fee for unlimited access to this secure data system. Users receive training on system use, ethics and confidentiality, and case management training. They also

receive unlimited technical support from Pathways on the Compass system. To partner with Pathways, organizations must have a mission that includes serving the homeless.

To enhance this effort to produce a viable HMIS for all of Georgia and for all divergent interests, a new partnership between DCA, Pathways, the Georgia 211 Initiative, and the Georgia Alliance of Information and Referral Services has been under development. This initiative has been delayed by management changes at GAIRS and Georgia 211. Meanwhile, DCA has elected to partner with several local agencies to pilot this process. Presently, the South Georgia Coalition to End Homelessness' 211 and the Community Info Line for Coosa Valley are participating.

This participation should improve the quality of data and referrals in that area, and provide the rest of the state with best practices for information/referral and HMIS integration.

As of July 2004, forty-one agencies within the Balance of the State's Continuum, including 12 service-only organizations, have successfully implemented HMIS and are actively participating in the program. Statewide, HMIS/Pathways has 179 members and provides online collaborative case management. Additionally, it collects a wealth of data on homelessness in Georgia that will ultimately be utilized to drive policy and funding decisions for the local jurisdiction, the Continuum, and the state of Georgia.

Active HMIS user groups are located in Clayton, DeKalb, Douglas, Fulton, Cherokee, Gwinnett, and Rockdale Counties. Additional user groups exist in Columbus, Athens, Savannah, Augusta, and Macon. These groups meet regularly to review changes in the software and discuss achievements and challenges related to using the software. DCA's HMIS manager and Pathways staff (HMIS dedicated as well as non-dedicated) also attend these meetings. Members of the Balance of State's Continuum of Care generally attend the closest meeting, even if it is not part of their Continuum.

Other Departmental Efforts to Address Homelessness in Georgia

The Georgia Department of Community Affairs strives to help communities in Georgia to identify their needs and opportunities for improvement utilizing locally driven solutions. As such, DCA has been and continues to be a critical partner for larger "entitled" communities working toward solutions. In smaller communities, often absent dedicated staff, DCA's leadership role on homeless issues often expands as mainstream providers are engaged and involved in locally driven solutions. In these smaller areas, DCA has been extremely successful with regional approaches to prevention, outreach, and permanent housing solutions utilizing Shelter Plus Care and HOPWA resources.

DCA also participates with the Mayor's Homeless Commission (Atlanta) in an effort to address needs in the Atlanta region. This Commission is staffed by the United Way of Metropolitan Atlanta. Extending from this effort is the United Way's new Supportive Housing Council. This group is specifically working to establish new resources for housing chronically homeless persons in the Metro Atlanta area. DCA staff also attends local homeless coalition and Continuum of Care planning meetings throughout the state.

Lastly, DCA recognizes that addressing the needs of Georgia's homeless cannot be confined to "homeless only" planning processes. For this reason, DCA actively participates in mainstream planning efforts throughout the state. DCA has membership on the Georgia Mental Health Planning Council. In addition, DCA staff regularly attends the (supportive) Housing Forum meetings facilitated by the Metro Atlanta Food Bank. Furthermore, DCA

recently participated in the annual meeting of the Georgia State Association of Not-For-Profit Developers (GSTAND). DCA staff also serves on the Georgia Department of Human Resources' Housing Coalition.

The state will continue to further its coordinated assistance efforts to the homeless by providing support to emergency and transitional housing facilities. It will also offer supportive services to homeless individuals so that they will be able to obtain permanent housing and reach the highest attainable level of self-sufficiency.

In sum, through the administration of federal and state-funded programs specifically targeted to the homeless population or to low- and moderate-income households, the state will help low-income families avoid becoming homeless; reach out to homeless persons and assess their individual needs; address the emergency shelter and transitional housing needs of homeless persons; and help homeless persons make the transition from permanent housing to independent living.

(3) Obstacles to Meeting the Needs of the Homeless

When examining the needs of Georgia's homeless populations, many obstacles become readily apparent. The following points highlight some of these issues. However, because of the complex nature of homeless issues, many other circumstances may exist which make it difficult for service providers to adequately meet the needs of the homeless. Therefore, this list cannot be considered exhaustive but outlines some of the important obstacles to providing assistance to the homeless in Georgia.

- Lack of resources (both financial and other) available to meet the needs of the homeless.
- Lack of an adequate supply of safe, affordable housing units.
- Lack of access to available housing for persons with poor credit and rental histories, as well as for persons with criminal histories.
- Competitive allocation process at the federal level to fund projects outside of the ESG Program hinders continuous access to these funds by smaller agencies.
- Complexities involved for the homeless person to access needed programs and services. Efforts are needed to restructure the intake process so that homeless persons are given access to streamlined services.
- Lack of unrestricted shelters available that serves more than one particular segment of the homeless population.
- Lack of comprehensive and complete data available to quantify and describe the homeless as required by federal program applications and planning documents.
- Lack of coordination at each level of government and at the provider level makes it challenging for service providers to obtain and maintain consistent levels of funding and to provide services from one year to the next.

(4) Geographic Allocation of Housing Assistance Funds for the Homeless

The geographic allocation of funding to provide housing assistance for the homeless depends on the funding source; however, most funds are competitively available statewide.

Consolidated Formula Funds

DCA makes ESG Program funds available statewide through an application process to all local governments and nonprofit organizations that provide emergency shelter and services to Georgia's homeless population. No geographic allocation is utilized. In addition, HOME funds through the Permanent Supportive Housing Program provide financing to nonprofit organizations to develop and own permanent supportive housing for tenants with special needs. Both construction and/or permanent financing are available through this program to construct or rehabilitate rental housing with supportive services. Applications are accepted on a continuous basis and are evaluated as they are received.

HOPWA program funds are available to all qualified local governments and nonprofit organizations operating and developing housing in the state of Georgia for persons impacted by HIV/AIDS. As of 1998, DCA has generally restricted HOPWA funding to counties outside of the 20-county Atlanta MSA. Beginning in FFY2004, the Augusta-Richmond MSA became a HUD designated HOPWA formula grantee and the Atlanta MSA was increased by 8 counties. DCA will primarily use Georgia's allocation of formula HOPWA funds to serve the remaining 130 counties located outside of the Atlanta MSA and the Augusta-Richmond MSA.

DCA administers the state's CDBG program only within non-entitlement communities. Georgia's entitlement communities receive a direct allocation of CDBG funds from HUD. DCA competitively awards its CDBG funds; therefore, the nature and quality of the application is the major funding determinant.

Although participating jurisdictions receive a direct allocation of HOME and ADDI funds from HUD, DCA administers all but one of its HOME funded programs (the Community HOME Investment Program) throughout the state. In order to encourage the development of affordable housing opportunities within certain areas, some HOME-funded programs operated by DCA enhance the competitiveness of applications for projects located within designated rural or urban revitalization areas. Despite this enhancement, the nature and quality of the entire application remains each program's major funding determinant.

Other Available Funds

The Low Income Housing Tax Credit is competitively allocated statewide. The Tax Credit is also allocated jointly with HOME Rental Housing Loan funds through a competitive scoring process outlined in the Qualified Allocation Plan (see Appendix E).

DCA administers the state's allocation of Housing Choice Voucher funds in 149 of Georgia's 159 counties. In the remaining counties, local public housing authorities administer the program. DCA also provides an allocation of project-based vouchers to developers within DCA's Section 8 service area that receive funds under the Permanent Supportive Housing Program.

State program funds available from the State Housing Trust Fund for the Homeless are available statewide. No geographic allocation is utilized.

(5) Georgia's Five-Year Priority, Objectives, and Investment Plan to Assist the Homeless

In light of the needs of the homeless and those threatened with homelessness, Georgia has established the following five-year priority, objective, and investment plan in an effort to assist individuals and families break the cycle of homelessness and to prevent other individuals and families from experiencing this living condition. The Georgia Department of Community Affairs will distribute funds for the HOME, CDBG, ESGP, and HOPWA programs according to the state's annual Action Plan contained within this Consolidated Plan.

(NOTE: The following priority and objective description only includes the state priority which directly benefits homeless households and for which a quantitative objective has been determined. The state's other priorities that may indirectly relate to assisting the homeless are described in other sections of the Strategic Plan. In addition, the figures provided to quantify the state's objectives include projections based only on the use of HOME, CDBG, ESGP, HOPWA, Housing Choice Voucher, and state match funds for the ESG Program. The state anticipates providing additional assistance through other funding sources to low- and moderate-income households or organizations serving this population).

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

Objective #8: *Provide housing necessary for Georgia's homeless to break the cycle of homelessness to accommodate an average of 21,500 individuals and/or provide supportive services necessary for Georgia's homeless to break the cycle of homelessness to accommodate an average of 43,500 individuals.*

Federal Funds
Emergency Shelter Grant Program
Housing Opportunities for Persons with AIDS (HOPWA) Program
Permanent Supportive Housing Program
Regular Annual CDBG Competition
Shelter Plus Care
Section 8 Housing Choice Voucher Program

D. STRATEGIES TO ADDRESS GEORGIA'S OTHER SPECIAL NEEDS HOUSEHOLDS

(1) Summary of the Housing and Supportive Service Needs of Georgia's Non-Homeless Households Requiring Supportive Housing

The following sections summarize the housing and supportive service needs of Georgia's non-homeless households that require supportive housing.

Elderly/Frail Elderly

According to the Georgia Department of Human Resources (DHR) Division of Aging Services, Georgia's population aged 60 and older is expected to increase 81.6% between 1990 and 2010.⁴ DHR also indicates that Georgia has the sixth fastest growing elderly population in the United States. Both the well and frail elderly require various housing and supportive services to facilitate their living conditions. These services include, among others: transportation; outreach; information and referral assistance; health care treatment; health screening; nutritional programs; emergency response systems; and health monitoring services.

The renovation of existing low rent housing facilities to enhance their appeal and service to aging adults is also a high need. In addition, many older homeowners urgently need home repair services, including funds to make the units accessible to accommodate any physical disabilities they may have. Major rehabilitation of their homes is often necessary to ensure safety; other homes may require minor repair work to prevent further deterioration.

The frail elderly also require in-home and adult day care services to enable them to remain in the community while limiting their dependency and loss of dignity, which frequently accompanies illness and impairment. In-home services may include a personal care aide to assist in daily activities; a respite care sitter to relieve the primary care taker; a homemaker service to clean and cook; and a home health service to assist in the individual's health care regime. Minimal in-home support prevents the need to institutionalize the elderly person, providing considerable cost savings to both the family and taxpayer.

Georgians with Substance Abuse Problems

⁴ Georgia Department of Human Resources, Division of Aging Services, *Just the Facts: SFY2003* 3.

Residential care is one part of a continuum of essential substance abuse services, ranging from prevention to responding to critical problems, needed to assist those with substance abuse problems. Residential care for those with the highest needs includes the following treatment arrangements:

- Short-term, intensive inpatient care options with the length of stay dependent on the severity and complexity of the person's problem;
- Specialized residential care options for persons with special needs, such as persons with HIV and persons with both mental and addictive illnesses;
- Long-term residential care options for persons whose level of impairment requires a length of stay longer than one year; and
- Transitional residential care options, such as halfway houses and recovery residences, with length of stay up to one year.

Georgians with Mental, Physical, and Developmental Disabilities

This population is the most diverse of all groups examined for the plan. The housing needs of individuals with disabilities are varied and include the following:

- Community-based residential facilities which offer a non-institutional alternative to individuals with mental illnesses and developmental disabilities;
- Respite homes to provide care for individuals with profound disabilities when the primary care giver requires time off;
- Housing retrofitting to provide access for individuals with physical disabilities;
- New construction of housing units with access for individuals with physical disabilities;
- Housing facilities for individuals with physical disabilities without age restrictions; and
- Housing choices for individuals with physical disabilities integrated within the overall community.

The service needs of individuals with disabilities vary tremendously depending on the disability, but generally include home medical assistance; respite care; personal care assistance; vocational education; case management; transportation assistance; crisis intervention; residential services; and day treatment.

Georgians Living with HIV/AIDS

There are an estimated 8,200 to 15,300 adults/adolescents diagnosed with HIV (non-AIDS) who are living in Georgia. As of March 2003, the cumulative number of AIDS cases in Georgia was 26,139 according to the Georgia Department of Resources (DHR).⁵ The

⁵ Georgia Department of Human Resources, "AIDS Update" 1.

cumulative number of persons living with AIDS is going up, while the number of AIDS-related deaths appears to be going down. This is most likely attributed to improved antiretroviral medications that delay the progression of the disease.

According to DHR's *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia*, the distribution of AIDS cases among racial and ethnic groups remains extremely high for the non-Hispanic Black/African American population in Georgia. From 1997 to 2001, the number of blacks with AIDS has represented over 75% of Georgia's population with AIDS each year. Fortunately, pediatric AIDS cases (children under the age of 13) in Georgia have generally decreased since 1994. In 2000, only 3 cases were reported. In 2001, zero cases were reported. This decrease is most likely due to newer antiretroviral medications for infected pregnant women that prevent transmission during pregnancy. Of the 210 cumulative cases of pediatric AIDS reported through the end of 2001, 199 (95%) had mothers who were HIV-infected or at risk for HIV-infection.

Although the number of AIDS cases reported in Georgia for females has recently decreased, the proportion of AIDS cases in females has steadily increased since the early 1980s. The *Year 2002 Epidemiologic Profile for HIV Prevention Community Planning in Georgia* notes that the number of cases for females reached an all time high in 1996 with 417. In 2001, women accounted for 27% of all AIDS cases reported in Georgia. This is a significant increase from 1983 when only two cases of AIDS were reported for women.

Furthermore, metropolitan communities continue to rank higher in the rate of reported AIDS cases than other areas. In Georgia, the vast majority of AIDS cases are reported by the Fulton County Health District. This district accounted for 44% of the total 20,597 cases reported from 1990 to 2001 for the state. During this same period, the proportion of cases from districts outside of Atlanta increased from 27% to 33%.

The housing needs of persons living with AIDS include short and long-term tenant-based rental assistance emergency assistance, and down payment assistance. In addition, congregate living arrangements for individuals who are terminally ill and need 24-hour support and medical services are necessary. The varied supportive service needs of people living with AIDS include but are not limited to the following: mental health, substance abuse and support group counseling; personal assistance to locate available housing opportunities; legal services; financial services; housing counseling; and nutritional services.

(2) Obstacles to Meeting Georgia's Non-Homeless Supportive Housing Needs

The State has identified the following obstacles to meeting its non-homeless supportive housing needs:

- Public fears and Not In My Back Yard (NIMBY) reactions to having supportive housing facilities located within their neighborhoods.
- Restrictive and exclusionary zoning practices which limit the existence of supportive housing in certain residential areas;
- Scarcity of public resources available to provide housing and supportive services assistance; and

- Shortage of competent, broad-based community housing and service agencies with the primary mission dedicated to the provision of housing for persons with HIV/AIDS.
- Difficulty in coordinating funding for service delivery, construction, and rental assistance due in part to conflicting requirements of programs and/or uncoordinated application deadlines.

(3) Geographic Allocation of Funds to Address Georgia's Non-Homeless Supportive Housing Needs

Consolidated Formula Funds

The Housing Trust Fund for the Homeless makes ESG Program funds available statewide to all local governments and nonprofit organizations that provide emergency shelter and services to Georgia's homeless population. No geographic allocation is currently utilized.

HOPWA program funds are available to all qualified local governments and nonprofit organizations operating and developing housing in the state of Georgia for persons impacted by HIV/AIDS. As of 1998, DCA has generally restricted HOPWA funding to counties outside of the 20-county Atlanta MSA. Beginning in FFY2004, the Augusta-Richmond MSA became a HUD designated HOPWA formula grantee and the Atlanta MSA was increased by 8 counties. DCA will primarily use Georgia's allocation of formula HOPWA funds to serve the remaining 127 counties located outside of the Atlanta MSA and the Augusta-Richmond MSA.

DCA administers the State's CDBG program only within non-entitlement communities. Georgia's entitlement communities receive a direct allocation of CDBG funds from HUD. DCA competitively awards its CDBG funds and, therefore, the nature and quality of the application is the major funding determinant.

Although participating jurisdictions receive a direct allocation of HOME and ADDI funds from HUD, DCA administers all but one of its HOME funded programs (the Community HOME Investment program) throughout the state. In order to encourage the development of affordable housing opportunities within certain areas, some HOME-funded programs operated by DCA enhance the competitiveness of applications for projects located within designated rural or urban revitalization areas. Despite this enhancement, the nature and quality of the entire application, remains each program's major funding determinant.

Other Available Funds

The Low Income Housing Tax Credit is competitively allocated statewide. The Tax Credit is also allocated jointly with HOME Rental Housing Loan funds through a competitive scoring process outlined in the Qualified Allocation Plan (see Appendix E).

DCA administers the state's allocation of Housing Choice Vouchers in 149 of Georgia's 159 counties. In the remaining counties, local public housing authorities administer the program.

The State Housing Trust Fund for the Homeless allocates its funds statewide. No geographic allocation is utilized.

(4) Georgia's Five-Year Non-Homeless Special Needs Housing Priorities, Objectives, and Investment Plan

In light of its non-homeless supportive housing needs, Georgia has established the following five-year priority, objective, and investment plan in an effort to provide housing and supportive services to the state's special need populations. The Georgia Department of Community Affairs distributes funds for the CDBG, HOME, ESGP, HOPWA, and ADDI programs according to the state's annual Action Plan contained within this Consolidated Plan.

(NOTE: The following priority and objective description includes only the state priority which directly benefits special need households and for which quantitative objectives have been determined. The state's other priorities that may indirectly relate to assisting the special needs of Georgia's non-homeless population are described in other sections of the Strategic Plan. In addition, the figures provided to quantify the state's objectives include projections only for the programs funded by HUD for which the state administers directly. Therefore, only estimates for programs funded by HOME, CDBG, ESG, HOPWA, ADDI, Housing Counseling, and Housing Choice Voucher Rental Housing Assistance are incorporated into the State's quantified objective. The State anticipates providing additional assistance through other funding sources to low and moderate income households or organizations serving this population).

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

Objective #9: Assist 3,300 special need households with the housing and/or supportive services necessary to achieve decent, safe, and sanitary living conditions.

Federal Funds

- Housing Opportunities for Persons with AIDS (HOPWA) Program
- HOME Rental Housing Loan Program
- Permanent Supportive Housing Program
- Regular Annual CDBG Competition
- Section 8 Housing Choice Voucher Program
- CHOICE Program
- Home At Last Program

State Funds

HOME Rental Housing Loan Program
Permanent Supportive Housing Program
CHOICE Program
Home At Last Program
State Housing Trust Fund

Other Funds

Low Income Housing Tax Credit Program

Objective #10: Provide housing assistance and information to 400 special need households in order to enable them to transfer from institutional to community living situations.

Activities to Meet Objective

- Establish and maintain partnerships with organizations that assist special need communities.
- Implement the Permanent Supportive Housing Program.
- Make Section 8 Housing Choice Vouchers available to the Georgia Department of Human Resources for this population.
- Market housing opportunities through the Rental Access Network web site.
- Identify non-HUD financed rental properties with project based rental assistance.

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

Objective #11: Make funding awards to local governments or organizations that assist 435 elderly persons with the housing and/or supportive services necessary to achieve or maintain decent, safe, and sanitary living conditions.

Federal Funds

Georgia Dream Second Mortgage Program
Rural Development Georgia Dream Second Mortgage Program
CHOICE Program
Efficient or Visitable Program
PEN Program
Home At Last Program
Single Family Development Program
Community HOME Investment Program (CHIP)
Regular Annual CDBG Competition
Home Buyer Education
HOME Rental Housing Loan Program
Section 8 Housing Choice Voucher Program

State Funds

Georgia Dream Second Mortgage Program
Rural Development Georgia Dream Second Mortgage Program
CHOICE Program
PEN Program
Home At Last Program
Rural Development Leveraged Loan Program
Home Buyer Education
HOME Rental Housing Loan Program

Other Funds

Georgia Dream First Mortgage Program
Low Income Housing Tax Credits Program
Rural Development Leveraged Loan Program

E. NON-HOUSING COMMUNITY DEVELOPMENT STRATEGIES

(1) Introduction and Needs Assessment

The state recognizes the importance of using CDBG resources to assist in meeting the state's non-housing community and economic development needs. This is reflected in the establishment of the following objective for CDBG funds available through the Consolidated Plan: *To provide assistance to local governments to meet their non-housing community and economic development needs.*

This section contains a description of the state's non-housing community development needs and the objectives of the CDBG Program. Non-housing community development needs were determined through a number of different methods including an analysis of CDBG applications submitted to the state over past years, comments received at public hearings for this Plan, consultation processes held in conjunction with the annual Action Plan, and a review of local Comprehensive Plans submitted to the state in response to the State Planning Act.

Note that this legislation requires all local governments to prepare annual plans in accordance with DCA guidelines. Communities without an approved plan are not eligible for state assistance.

The state is strongly committed to the concept that locally identified needs must drive state plans. The state does not plan for local units of government, but will incorporate their locally identified needs and plans into state plans. This "bottom-up" planning process is firmly woven into the state planning legislation and the method of distribution of CDBG funds.

The following list of non-housing community development needs therefore should not be interpreted to be a priority list for funding nor is it meant to be exhaustive. The selection of activities to propose for funding are based on determinations made by local governments in consultation with their citizens, following a local citizen participation plan.

As detailed later in the Action Plan, the state has set aside funds for several categories or types of projects in an effort to be more responsive to local needs that often are not conducive to an annual competition. Specifically, funds are set aside for: (1) two economic development programs (the Employment Incentive Program (EIP) and the Redevelopment Fund) which accept applications at any time and (2) the Immediate Threat and Danger Program which responds to urgent need situations. In addition, local governments can make application at any time for a Section 108 CDBG Loan Guarantee. These set aside programs are further detailed in the Action Plan section.

Priorities are set by local governments through their citizen participation process and consideration of local needs and are reflected in the actual applications for CDBG assistance submitted to the state. DCA fully expects to receive and may fund eligible housing and community development projects not included on this list if such projects are competitive in the rating and ranking system described in the Action Plan.

HUD regulations for this Plan ask that these needs be quantified as much as possible. Due to a lack of detailed information, this needs list is impossible to “quantify” in terms of dollars, needed feet of sewers, etc, but the dollar value of all these needs may reasonable be assumed to be in the billions of dollars. Given the state’s growing population, changing demographics, aging infrastructure and an evolving economy, these needs and their relative priority can be expected to change over time.

The Consolidated Plan regulation also states that the non-housing community development priority needs must be described by CDBG eligibility category. Because HUD’s regulations for the state CDBG program do not list eligible activities, the state must refer to the authorization law of the program: the Housing and Community Development Act of 1974, as amended. Section 105(a) of this Act lists 25 separate eligible activities. All of the activities on the following list are eligible under Section 105(a) and are reflective of locally stated needs:

NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

- Flood and Drainage Facilities
- Economic Development Assistance For-Profit Entities
- Public Infrastructure to Promote Economic Development
- Private Environmental Infrastructure to Serve Businesses
- Homeowner and Tenant Relocation Assistance
- Demolition of Dilapidated Structures
- Street Improvements
- Pedestrian Walkways
- Sewer Facilities (New and Replacement Lines, Tap-on Assistance)
- Water Facilities (New and Replacement Lines, Tap-on Assistance)
- Senior Citizen Facilities
- Head Start Centers
- Other Childhood Education and Day Care Facilities
- Community Service (Multi-purpose) Centers
- Public Health (Physical and Mental) Facilities
- Workforce Development and Adult Learning Centers
- Park and Recreation Facilities
- Family Violence Shelters
- Education & Work Facilities for Persons with Developmental Disabilities
- Removal of Architectural Barriers
- Local CDBG Administration
- Technical Assistance and Training for Local Administrators

NON-HOUSING COMMUNITY DEVELOPMENT NEEDS (continued)

- Neighborhood Redevelopment
- Spot slum and blight removal
- Environmental and brown-field clean-up and redevelopment
- Land Acquisition for Public Facilities or Redevelopment

Primary Long Term Objective

The state has adopted as a specific primary objective for its CDBG program the same objective as the CDBG authorization act, the Housing and Community Development Act of 1974, as amended. This primary objective is to develop viable communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for low income and moderate income persons.

The primary mechanism for meeting this long-term objective will be the state's Annual CDBG funding program.

Short-Term Objective

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 of the amount of funds actually appropriated by Congress, DCA expects to annually award (including the annual competition, Employment Incentive Program, Redevelopment Fund and the Immediate Threat and Danger Program) approximately 100 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 (FY 2004) Annual CDBG Competition may shed some light on what may be funded in the future as well as current priorities.

Table 38: Type of Grants Funded for Program Year 2004 CDBG Competition

Grant Type	Number of Awards	Amount Awarded
Public Facility	72	\$33,753,677
Employment Incentive	27	\$8,059,101
Multi-Activity	4	\$2,723,505
Housing	3	\$1,197,000
Immediate Threat	10	\$317,560
Redevelopment Fund	1	\$250,000
Total Awards	117	\$46,300,843

Table 39: Type of Public Facility Projects Funded for Program Year 2004 Competition

Project Type	Number Funded	Percent of Total
Streets and Drainage	19	26%
Water	15	21%
Sewer	10	14%
Multi-Infrastructure	8	11%
Neighborhood Facility	5	7%
Senior Center	3	4%
Head Start Center	2	3%
Health Center	2	3%
Water and Sewer	1	1%
Drainage	1	1%
Youth Center	1	1%
Domestic Violence Center	1	1%
Mental Health Center	1	1%
Adult Learning Center	1	1%
Developmental Disability Center	1	1%
Total	72	100%

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 predominated 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 youth centers and 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.

(2) Obstacles to Meeting Underserved Needs

The state has identified the following obstacles to meeting underserved needs: First and foremost is a lack of sufficient funds to address all the non-housing needs existing in this state. This problem is illustrated by the large number of fundable CDBG projects with high needs that cannot be funded due to a lack of available CDBG funds. Each year DCA receives nearly 200 applications (for all funding categories) but has enough funds available to make only about 100 grant awards. While this problem is dramatic, through creative financing arrangements (such as leverage of other federal grant and loan programs and the injection of state or local "in-kind" assistance or funds), the state hopes to make an impact on under served needs.

The rating and ranking system for the "Annual CDBG competition" as described in the Annual Action Plan, rewards additional points to those applicants which "leverage" additional resources. Through this method, additional persons are served.

A second obstacle is a lack of capacity at the local or regional level to develop competitive CDBG applications or to administer projects once funding decisions are made. This need seems especially acute for economic development projects and projects involving the abatement of lead paint hazards. To address this need the state will make available technical assistance funds through a set-aside of CDBG funds.

F. STRATEGIES TO ELIMINATE BARRIERS TO AFFORDABLE HOUSING

The state of Georgia recognizes the importance of eliminating barriers to affordable housing. Through its consolidated planning process, the state has established the following priority statement: *To improve the responsiveness of state and local policies to affordable housing issues*. Over the past twenty years, a wide variety of policy and program initiatives have been instituted to move toward this goal. Governments at both the state and local levels have made important strides in the areas of planning and standardization of construction codes and impact fees. The state has also required each local government to consider affordable housing needs within its mandated comprehensive plan.

Several local governments are also 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.

Over the next five years, the state will continue to examine methods to eliminate barriers to obtaining affordable housing. Several of these methods are noted below.

- Reviewing and revising the structure and administration of housing programs and their related regulations to facilitate access to available funds.
- Examining, revising, and implementing state laws which impact housing affordability.
- Continuing implementation of the Georgia Planning Act of 1989 which, through the state's Minimum Planning Standards, requires each jurisdiction to examine issues related to the provision of adequate and affordable housing.
- Implementing actions recommended in the Analysis of Impediments to Fair Housing Choice.
- Providing training and technical assistance programs to local governments that will include a focus on how local government policies impact affordable housing and how communities can implement local housing initiatives.

G. STRATEGIES TO ELIMINATE LEAD-BASED PAINT HAZARDS

This section is an outline of the actions proposed or being taken to evaluate and reduce lead-based paint hazards, and a description of how lead-based paint hazard reduction will be integrated into housing policies and programs. Note that the nature and extent of the state's

lead-based paint hazard situation is estimated in Part F of Section III – Housing and Homeless Needs Assessment.

Three state agencies are currently involved in a strategy to address the lead hazards identified in the needs assessment. These agencies are (1) the Georgia Department of Human Resources (DHR) through the Childhood Lead Poisoning Prevention Program, (2) the Georgia Department of Natural Resources (DNR) which is responsible for implementation of the state’s “Lead Poisoning Prevention Act of 1994,” and (3) the Georgia Department of Community Affairs (DCA) which manages many housing programs as outlined in this Consolidated Plan.

The Georgia Childhood Lead Poisoning Prevention Program (GCLPPP), administered by DHR, aims to eliminate childhood lead poisoning in Georgia. DHR has established the following goals for the program.

- Update and implement the statewide lead poisoning screening plan.
- Improve and redefine a statewide lead poisoning surveillance system that incorporates electronic reporting of all blood lead levels and ensures the timely dissemination of information.
- Establish policies and procedures that ensure the appropriate screening and follow-up of children at risk for lead poisoning.
- Create health education, communication, and technical assistance programs for the general public, professionals, and staff that highlight the importance of lead poisoning prevention.
- Develop multi-faceted and culturally appropriate primary prevention activities.
- Evaluate the program completely in terms of process and impact.

The Georgia General Assembly passed the Lead Poisoning Prevention Act of 1994 in response to the public health hazards created by lead-based paint. The Georgia Department of Natural Resources (DNR) is responsible for generating and enforcing those rules and regulations necessary to establish minimum standards for the accreditation of lead abatement training providers; training and certification of individuals and firms conducting lead inspections, risk assessments, project designs, abatement and control; and the manner in which those abatements and controls are conducted. DNR has issued final state regulations to implement the Act and will continue to certify workers, contractors, and risk assessors.

The Georgia Department of Community Affairs requires recipients of federal HOME and CDBG funds that engage in rehabilitation activities to follow HUD regulations which require the control of lead based paint hazards and safe work practices. DCA’s lead abatement and hazard control strategy will focus on identifying and reducing or abating the following hazards:

- Lead contaminated dust.
- Lead contaminated soil.

- Deteriorated lead-based paint which is chipping or flaking.
- Lead-based paint accessible to children that can be chewed.
- Lead-based paint present in friction surfaces.
- Lead-based paint present in impact surfaces.
- Lead-based paint on any surface disturbed as a result of rehabilitation activity.

The Georgia Department of Community Affairs also successfully implemented the federally funded Lead Safe Homes Demonstration Program, which ended December 30, 2002. It is anticipated that DCA will reapply for similar funds in the future.

The Georgia Department of Community Affairs also serves on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state and federal agencies, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs.

In 2000, the Georgia General Assembly passed the “Childhood Lead Exposure Control Act.” This act relates to the enforcement of recommendations for abatement or mitigation of a lead hazard by the Georgia Division of Public Health. Rental property owners who identify and control lead hazards in accordance with recommended practices will be protected from liability. This act, however, is contingent upon the receipt of funds by the Division of Public Health in the form of a grant awarded by the Centers for Disease Control and Prevention (CDC). Funds however have not been appropriated by either the CDC or the Georgia General Assembly.

Finally, in May 2003, Georgia’s Attorney General Thurbert E. Baker announced the state’s participation in a nationwide agreement to protect children from lead paint poisoning. The agreement, reached between the Attorneys General from 48 states and jurisdictions and the National Paint and Coating Association (NPCA), requires paint manufacturers to affix warning labels on paint cans. The NPCA will also provide consumer education and training courses on lead-safe renovation and repainting.

H. GEORGIA’S ANTI-POVERTY STRATEGY

(1) Overview of Poverty in Georgia

In 1999, 13% of Georgia’s population lived below the poverty level, higher than the national average of 12.4%. Only sixteen states possessed poverty rates higher than Georgia’s figure. The percentage of Georgians living below the poverty level has decreased since 1989, from 14.7% to 13%. However, the number of Georgians living below the poverty level increased over this period, from 923,085 in 1989 to 1,033,793 in 1999. Some of this change can be attributed to the state’s rapid population growth and the growth of the state’s economy, leading to substantial job creation.

On a county level, poverty statistics from 1999 reveal that in some counties almost one-third of the households live below the poverty level. The five counties with the highest percentage

of persons living below the poverty level in 1999 were Clay (31.28%), Hancock (29.43%), Crisp (29.31%), Burke (28.66%), and Echols (28.66%). Two of these counties are located in Georgia's Southwest corner. Almost all counties in Central and South Georgia have poverty rates greater than the state average.

It is also apparent that people from communities of color are more likely to have incomes below the poverty line than people from the white community. Twenty-three percent (23%) of black households and 22% of Hispanic/Latino households lived in poverty in 1999. In addition, more females lived in poverty than males, 57% compared to 43% in 1999. In addition, more females with disabilities lived in poverty than males with disabilities, 21% compared to 15%. Other household types severely affected by poverty in 1999 included female-headed households (28.5%) and individuals over 65 (13.5%). Sixteen percent (16%) of Georgia's children were also living in poverty in 1999.

A study prepared by the University of Georgia's Carl Vinson Institute of Government found that nearly one in three of the 242 counties in the Southeast Region having persistent poverty is located in Georgia (91 counties).⁶ The Southeast Region of persistent poverty includes seven states: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. Nearly one-quarter of the total number of people living in persistent poverty counties in the Southeast Region reside in Georgia.

(2) Goals, Programs, and Policies to Reduce Poverty

The State of Georgia has established several goals relating to the reduction of poverty among its residents, including:

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

⁶ Carl Vinson Institute of Government, The University of Georgia, [Dismantling Persistent Poverty in Georgia: Breaking the Cycle](http://www.cviog.uga.edu/poverty/georgia.pdf) (Athens, GA: Author, Apr. 2003) 4. Available online: <http://www.cviog.uga.edu/poverty/georgia.pdf>

- To encourage the private sector of the community to become involved in efforts to ameliorate poverty.

The state has adopted numerous policies and administers many programs designed to assist in the elimination of poverty conditions. The Georgia Department of Community Affairs, the Georgia Department of Labor, the Georgia Department of Adult and Technical Education, and the Georgia Department of Human Resources will continue to work closely and coordinate their efforts to address issues related to poverty, such as lead-based paint abatement, homelessness, job training, and the on-going reform of the welfare system.

Additionally, the OneGeorgia Authority makes grants and loans to local government entities for economic development. Approximately \$10,000,000 will be available for capacity building and existing industry through the Equity program and approximately \$28,000,000 will be available for job creation projects. These funds represent one-third of the state's tobacco settlement and are used to assist the state's rural areas.

OneGeorgia investments will be targeted primarily to counties of 50,000 in population or less. With this extensive financial capability in hand, the OneGeorgia Authority hopes to reduce the poverty levels in these targeted areas while facilitating economic growth.

In addition to the housing, community development, and social service programs previously described, the state will continue to administer other programs specifically targeted to reducing conditions of poverty. For example, the federal Community Services Block Grant (CSBG) program administered by the Georgia Department of Human Resources is an important component to this effort. This program assists low-income families and individuals with a wide range of services through programs provided in the local communities. Services may be related to self-sufficiency, employment, economic development, education, income management, housing assistance, nutrition, health, emergency assistance, energy assistance, youth and family development, resident participation in community improvement activities, and linkages between individuals and social service programs.

Another federal initiative that operates in Georgia is the HUD and USDA designation of Renewal Communities, Empowerment Zones, and Enterprise Communities. This initiative assists distressed urban and rural areas throughout the nation through the use of flexible social service block grants and tax breaks for area businesses. As of July 2004, Georgia has two Enterprise Communities (ECs), one Empowerment Zone (EZ), and one Renewal Community (RC). The ECs are located in Albany and in the Central Savannah River Area (portions of Burke, Jefferson, Taliaferro, Hancock, and Warren Counties). These designations expired in November 2004. The EZ is located in Southwest Georgia United (formerly the Crisp-Dooly Enterprise Community). The RC is located in Atlanta (formerly an EZ community). As a result of these designations, these areas will receive regulatory relief and tax breaks to help local businesses provide more jobs and promote community revitalization. Additional information about Georgia's RC/EZ/EC programs is available in Part I of this section.

The state anticipates that the efforts of each of its housing, economic, and community development and social service programs will assist in reducing the percentage of households with incomes below the poverty line and address the regional disparities in poverty and economic growth.

I. INSTITUTIONAL STRUCTURE OF GEORGIA’S HOUSING DELIVERY SYSTEM

(1) Overview

The housing industry functions as a result of actions by private sector individuals and companies, interested nonprofit organizations, and all three levels of government – federal, state, and local. The actions of each entity influence the other’s subsequent actions and the overall ability of the market to meet the housing needs of Georgia’s consumers.

This section outlines the responsibilities and programs of the various institutions and organizations responsible for implementing Georgia’s housing and community development plan. These organizations are divided into three groups: public institutions, nonprofit organizations, and private industry. While the role of the U.S. Department of Housing and Urban Development is significant in Georgia’s housing delivery system, its role is generally described below as part of initiatives conducted at the state and local government levels since these jurisdictions principally implement HUD funds.

Most private firms, state agencies, and large units of government have the financial, personnel, and administrative capability to undertake housing assistance programs. However, many nonprofit organizations and small units of local governments lack these necessary resources. As common providers of affordable housing opportunities, particularly for the homeless and other special need populations, nonprofit organizations require assistance to build their capacity. The state of Georgia recognizes the importance of this need and has established the following priority as part of its affordable housing strategy: *To increase the capacity and skills of local nonprofit organizations and other providers to offer housing assistance.*

(2) Public Institutions – Federal Level

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) serves as the principal federal agency for housing and community development programs and issues. HUD administers, among others, the five funding programs covered by this Consolidated Plan – HOME, CDBG, ESGP, HOPWA, and ADDI. In addition, HUD offers other programs described elsewhere in this document that are available to the state nonprofits and private developers to address housing and community development needs.

The HUD Housing Choice Voucher program offers rental assistance for low- and moderate-income households. A complete program description is included with the narrative on the Georgia Department of Community Affairs, which administers the program in 149 of Georgia's 159 counties through five regional offices located around the State. The remaining 10 counties of Bibb, Chatham, Clayton, Cobb, DeKalb, Fulton, Glynn, Muscogee, Richmond, and Sumter as well as various public housing authorities receive Housing Choice Voucher funds directly from HUD to administer this program.

Department of Veterans Affairs

Since the end of World War II, the Department of Veterans Affairs (VA) has been authorized to guarantee loans to eligible military veterans. These loans can have loan to value ratios as high as 100%. Insurance costs are financed in the mortgage, making VA loans one of the most affordable means to homeownership.

Rural Development

Formerly known as the Farmers Home Administration (FmHA), the Rural Development office of the United States Department of Agriculture (USDA) provides housing assistance to farm families and to low- and moderate-income households living in the nation's rural areas, including cities of up to 20,000 residents. USDA offers programs directly or indirectly to rural low-income households, as noted below.

- Rural Housing Direct Loans (Section 502): Offers loans to individuals or families for the purchase of an existing home or new home construction. Applicants must have very low or low incomes.
- Rural Housing Guaranteed Loan (Section 502): Provides a guarantee for loans made by private lenders. Applicants may have incomes of up to 115% of the median income for the area.
- Rural Housing Repair and Rehabilitation Loans and Grants (Section 504): Section 504 funds are available for repairs to improve or modernize a home or to remove health and safety hazards. Applicants must have very low incomes (below 50% of the area median income). Homeowners 62 years and older are eligible for home improvement grants if they are unable to repay a loan. Other low-income households may receive loans at a 1% interest rate.
- Self-Help Technical Assistance Grant: Provides financial assistance to nonprofit organizations that will provide technical assistance to low- and very low income households to build their own homes in a rural area.
- Mutual Self-Help Housing Loan (Section 523): This program makes homes affordable by enabling future homeowners to construct homes themselves. Each applicant is required to complete 65% of the work to build his or her own home. Applicants must have very low or low incomes
- Rural Housing Site Loans (Sections 523 and 524): This program provides financing for the purchase and development of affordable housing sites in rural areas for low- and moderate-income households. Section 523 loans are made to acquire and develop sites only for housing to be constructed by the self-help method. Section 524 loans are made to acquire and develop sites for any low- or moderate-income household. Eligible organizations include private or public nonprofit organizations.
- Housing Application Packaging Grants: This program provides funds to tax-exempt public agencies and private nonprofit organizations to package applications for submission to USDA's Rural Housing Service. Packagers assist very low- and low-income applicants with the application process by prescreening, making preliminary

eligibility determinations, ensuring the application is complete, and helping the applicant understand the program.

- Farm Labor Housing Program (Section 514): Low interest loans and grants are available to public and nonprofit entities or farmers for the construction of farm labor housing. Funds may be used to buy, build, improve, or repair housing for farm laborers. Eligible activities also include purchasing a site or a leasehold interest in a site; constructing housing, day care centers, or community rooms; paying fees to purchase durable household furnishings; and paying construction loan interest. Funds may also be used in urban areas for nearby farm labor.
- Rental Assistance Program (Section 521): Provides rent subsidies to low-income, elderly, and disabled residents of multifamily housing complexes build under the Rural Rental Housing Program (Section 515) or the Farm Labor Housing Program (Section 514).
- Rural Rental Housing Loans (Section 515): Provides direct loans to developers of affordable rural multifamily housing. Funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.
- Housing Preservation Grant Program (Section 533): Provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing (rental and owner-occupied).
- Rural Rental Housing Guaranteed Loan Program (Section 538): Guarantees loans for the development of multifamily housing facilities. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multifamily housing. Occupants must be very low to moderate-income households, elderly, handicapped, or disabled persons with income not in excess of 115% of the area median income.
- Community Facilities Direct Loan Program: Provides loans to public bodies, nonprofit corporations, and Indian tribes for the development of essential community facilities for public use in rural areas and towns with a population of 20,000 or less.
- Community Facilities Guaranteed Loan Program: Guarantees loans to develop essential community facilities in rural areas and towns of up to 20,000 in population. Loans and guarantees are available to public entities such as municipalities, counties, and special-purpose districts, as well as to nonprofits and tribal governments.
- Community Facilities Grant Program: Provides grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services. Eligible applicants include public entities such as municipalities, counties, and special-purpose districts, as well as nonprofit corporations and tribal governments.

Federal National Mortgage Association (Fannie Mae)

Created in 1968, the Federal National Mortgage Association (Fannie Mae) is a federally chartered organization created to help families achieve homeownership. Fannie Mae acquires mortgages from mortgage bankers, savings and loan associations, commercial banks, credit unions, and state and local housing finance agencies and resells them to investors in order to increase the flow of funds available to potential homebuyers. Fannie Mae also offers a variety of mortgage products and financial services that make it possible for low- to middle-income families to buy their own homes. In addition, to provide liquidity and flexibility to the rental housing market, Fannie Mae provides financing options on rental housing of 5 or more units or apartments through a network of lenders.

Federal Home Loan Mortgage Corporation (Freddie Mac)

The Federal Home Loan Mortgage Corporation (Freddie Mac) is a federally chartered corporation that purchases mortgages from lenders on a cash basis or swaps the mortgages for mortgage-backed securities. Lenders keep the origination fee and earn servicing income on the loans. Through its affordable housing programs, Freddie Mac participates in a broad range of community lending initiatives for low- and moderate-income home buyers.

Government National Mortgage Association (Ginnie Mae)

The Government National Mortgage Association (Ginnie Mae) is an agency of the federal government within the U.S. Department of Housing and Urban Development. Created in 1968, Ginnie Mae's primary role is to guarantee the timely payment of principal and interest on mortgage-backed securities backed by federally insured or guaranteed loans. Most of the loans are issued by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA). Other guarantors or issuers of loans include USDA's Rural Housing Service (RHS) and HUD's Office of Public and Indian Housing.

Federal Home Loan Bank

Congress created the Federal Home Loan Banks (FHLB) during the depression of the 1930s. These banks provide a central credit facility for institutions engaging in home finance activities. In 1989, FHLB established the Affordable Housing Program in accordance with Section 721 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Under this program, subsidies are provided to member institutions engaged in long-term financing for low- and moderate-income owner and rental housing at subsidized interest rates.

(3) Public Institutions – State Level

Georgia Housing and Finance Authority

Created in 1974 as the Georgia Residential Finance Authority, the Georgia Housing and Finance Authority (GHFA) provides financing for the creation of housing for low- and moderate-income households. Since 1996, the programs of GHFA have been administered by the Georgia Department of Community Affairs.

Georgia Department of Community Affairs

The Georgia Department of Community Affairs (DCA) is the state's lead agency for housing, community planning, and development. Initially created as the Bureau of State Planning and Community Affairs in 1970, the agency received its current name and status as a separate department in 1977. In 1996, DCA assumed responsibility for administering the programs of the Georgia Housing and Finance Authority (GHFA).

DCA is the principal administrative agent for the state's allocation of federal Community Development Block Grant (CDBG), HOME, Low Income Housing Tax Credits, Housing Choice Vouchers, Emergency Shelter Grant Program (ESGP), Housing Opportunities for People with AIDS (HOPWA), and the American Dream Downpayment Initiative (ADDI) funds. DCA also utilizes the proceeds from GHFA's issuance of mortgage revenue bonds to further affordable housing opportunities in Georgia. In addition, DCA administers all programs funded by the State Housing Trust Fund for the Homeless.

Descriptions of the programs currently administered by DCA may be found in the Annual Action Plan section of this document.

State Housing Trust Fund for the Homeless

The State Housing Trust Fund for the Homeless Commission was established by the General Assembly in 1989. Today, the Commission is administered by the Georgia Department of Community Affairs and is guided by a nine-member board. The Commission is responsible for administering grants and loans to local governments and private nonprofit organizations to assist low-income and homeless persons.

As a result of the Commission's work, several hundred organizations acquire and rehabilitate buildings and provide supportive services such as food, counseling, and emergency, transitional, supportive, and permanent housing to persons in need. Additionally, the Commission provides a variety of technical assistance programs designed to enhance the way organizations deliver services to benefit low-income and homeless persons. The State Housing Trust Fund for the Homeless Directory, available on the World Wide Web at <http://www.dca.state.ga.us:591/HTFDI/default.htm>, provides information about homeless service providers in the state of Georgia.

Each year, the Commission receives funding from the Georgia General Assembly and HUD to provide facilities and services described under Georgia's Continuum of Care. Funds from HUD are made available through Housing Opportunities for Persons with AIDS (HOPWA) and the Emergency Shelter Grant Programs (ESGP). Funds from the Georgia General Assembly (\$3 million in 2003) provides matching dollars for ESGP and makes additional money available for the balance of projects operated by the Commission.

(4) Public Institutions – Local Level

County and Municipal Governments

Many of Georgia’s county and municipal governments play an active role in providing affordable housing opportunities within their jurisdictions utilizing combinations of federal, state, and local funds for this effort. The capacity of local governments to implement housing assistance projects and initiatives varies widely. Although many larger cities and counties have staffing to implement such activities, many local governments provide housing assistance using the aid of state agencies, regional development centers, and private consultants.

Several cities and urban counties receive federal HOME funds directly from HUD. These participating jurisdictions include the cities of Albany, Atlanta, Macon, and Savannah as well as the counties of Clayton, DeKalb, and Gwinnett. Three consolidated governmental units, Athens-Clarke County, Augusta-Richmond County, and Columbus-Muscogee County also receive HOME funds directly from HUD. Two consortiums also receive direct HOME funds – the consortia of Cobb and Cherokee Counties along with the City of Marietta and the consortia of Fulton County and the City of Roswell. These jurisdictions are also entitlements for the CDBG program (with the exception of Cherokee County), and, therefore, receive CDBG funds directly from HUD. The cities of Brunswick, Dalton, Gainesville, Hinesville, Rome, Valdosta, and Warner Robins are also CDBG entitlements.

The General Assembly adopted the Georgia Planning Act in 1989 as a means to encourage better management of growth in the booming areas of the state while encouraging the less prosperous parts to avail themselves of opportunities for growth. DCA’s Coordinated Planning Program has responsibility for the overall management of the planning process created by the Act, which established a “bottom-up” comprehensive planning approach initially to be conducted at the local government level, then at the regional and state levels. Goals and objectives are set for activities such as transportation, housing, infrastructure, waste disposal, economic development, human services, education, land use, and recreation. Each comprehensive plan must include six planning elements, one of which is housing. This element includes requirements for local governments to take a closer look at housing characteristics, conditions, supply, and cost in their jurisdictions. As part of the inventory and assessment of community housing, comparisons must be made to state and national figures. In addition to the inventory and assessment, local governments must also project their future housing needs and plan for housing growth. Projections are made for single family, multifamily, and manufactured housing. Goals, objectives, and policies are developed to address existing needs and the future provision of housing in the community.

Urban Residential Finance Authority

In 1979, the Georgia General Assembly authorized the creation of urban residential finance authorities within municipalities with populations of 350,000 or more to address the shortage of affordable, decent, safe, and sanitary housing. Only the City of Atlanta meets the established population threshold.

The Atlanta Development Authority (ADA) / Urban Residential Finance Authority (URFA) provides affordable financing to eligible home buyers seeking to purchase a home in the City

of Atlanta. The loans are available from the proceeds of single family mortgage revenue bonds issued by URFA.

URFA also issues multifamily housing revenue bonds to provide financing for acquisition/new construction or acquisition/rehabilitation of multifamily units. In addition, URFA issues 501(c) 3 bonds and loans them to nonprofits for a variety of housing related projects. Proceeds from these bonds provide financing for acquisition and rehabilitation of multifamily and single family projects.

Local Land Bank Authorities

In 1990, the Georgia General Assembly authorized the creation of land bank authorities with power to acquire tax delinquent property, extinguish the taxes owed on that property, and convey the property to a responsible developer. The legislation enables local governments with overlapping jurisdiction (cities and the counties they lie within) to enter into cooperative agreements for the purpose of returning property that is not generating revenue or producing taxes to effective utilization status in order to provide housing, new industry, and jobs for the citizens of the county.

The land bank authority mechanism allows for the public recycling of blighted property in cities where unpaid taxes, fines, and other public obligations exceed the value of the property. The land bank authority may acquire property in several ways: the property may be purchased by the land bank authority, donated by the property owner, or conveyed by the local government in connection with a tax foreclosure sale. Without this mechanism, properties with these outstanding obligations are unmarketable and unlikely to be improved and, thereby, may contribute further to neighborhood decline.

Land bank authorities have been established in Augusta, Dalton, Fulton County/City of Atlanta, Macon, Savannah, and Valdosta-Lowndes County.

Federal Government Designations

In December 1994, HUD designated certain neighborhoods within the City of Atlanta as a federal Empowerment Zone (EZ). The federal government provided \$100 million in funds, offered tax incentives, provided technical assistance, and eased federal regulations in an effort to spur the social, economic, and physical redevelopment of these inner-city neighborhoods. Effective January 2002, Atlanta lost its EZ designation when it became a Renewal Community (RC). 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.

Enterprise Communities will receive up to \$3 million in funding as well as technical assistance, tax incentives, and federal regulatory relief. These funds expired in November 2006. Georgia also has one Empowerment Zone (EZ) located in Southwest Georgia United (formerly the Crisp-Dooly Enterprise Community). The USDA will make up to \$19 million available to the EZ over a ten year period for economic, community, and housing development activities.

The USDA has also designated five Champion Communities in Georgia: Southern Lower Chattahoochee Region COG, ABC Champion Community, Central Savannah River Area Champion Community, Okefenokee Empowerment Board Champion Community, and Macon County Grows Champion Community. All of these communities receive special funding through USDA Rural Development to meet long-term goals. Projects include water and waste systems and essential equipment, like fire or police vehicles and computers.

The success of these local communities in achieving these designations demonstrates the ability and commitment of Georgians to effectively develop cooperative partnerships between public, private, and nonprofit sectors to address social, economic, and community development issues.

(5) Nonprofit Organizations

Public Housing Authorities

Public Housing Authorities (PHAs) carry out a large portion of Georgia's housing assistance effort. In 1937, the Georgia General Assembly enabled each county and city to establish functioning public housing authorities within their jurisdiction upon a declaration of need. As of July 2004, there were 189 public housing authorities in Georgia with a total of 52,830 units under their collective administration. PHAs utilize funds from public housing rent receipts, federal subsidies from HUD, and proceeds from bond issues for some development costs.

Public Housing Authorities are expanding beyond their traditional role to help preserve affordable housing opportunities in the state. The Housing Authority of the City of Atlanta currently serves as a Participating Administrative Entity in the restructuring of loans for expiring properties in the HUD Housing Choice Voucher Program. In addition, a consortium of 10 local public housing authorities (Americus, Athens, Atlanta, Augusta, Brunswick, Columbus, Decatur, Hinesville, Macon, and Marietta) have teamed with GHFA to create Georgia HAP Administrators Inc. (GHA) to provide Housing Choice Voucher Contract Administration services to HUD. Moreover, several housing authorities have begun to develop affordable single family and multifamily housing opportunities in their communities.

Private Nonprofit Organizations and Community Housing Development Organizations

Nonprofit organizations and Community Housing Development Organizations (CHDOs) play an increasing and important role in the development and rehabilitation of affordable housing throughout Georgia. Many of these organizations focus upon the needs of homeless individuals, as well. Each group differs in their mission, size, funding, and organizational characteristics. Some groups exist in only one locality while others function as part of a regional or nationwide network.

The Georgia State Trade Association of Nonprofit Developers (GSTAND), for instance, is an alliance of nonprofit housing developers and their supporters which promotes the development of quality affordable housing in Georgia. Another organization, the Georgia Coalition to End Homelessness, consists of a statewide network of homeless individuals, service providers, and homeless advocates who are committed to ending homelessness. This coalition seeks to identify and advocate for solutions to homelessness, including effective housing production. The Metro Atlanta Task Force for the Homeless, a regional initiative, also advocates for and represents people who are homeless in the Metro Atlanta area.

(6) Private Industry

Housing Developers

Georgia's rapid growth during the 1980s and 1990s produced the emergence of a large, widely diversified housing development industry. The Home Builders Association of Georgia approximates that 11,979 builders, remodelers, and developers are actively involved in residential development within the state. Most of these developers are located in Georgia's urban areas.

Private housing developers actively participate in affordable housing programs, such as Housing Choice Vouchers and Low Income Housing Tax Credits. DCA actively seeks input from developers to better understand practical problems facing the industry and to help design afford housing programs. The Georgia Affordable Housing Coalition consists of members of the affordable housing development community. DCA regularly meets with coalition representatives to discuss pertinent housing program issues and participates as presenters at the coalition's fall and spring meetings.

Financial Institutions

Participation by private financial institutions in providing affordable housing assistance occurs through compliance with the Community Reinvestment Act (CRA), and participation in programs and partnerships with state and local governments.

First, financial institutions must comply with the Community Reinvestment Act that requires these organizations to publish available forms of credit within its self-defined community and maintain for public inspection written comments regarding CRA compliance. The CRA requirements follow the Home Mortgage Disclosure Act of 1975 which addresses the issues of redlining by requiring mortgage lenders to disclose the geographic locations of their loan distributions.

Second, financial institutions increasingly participate in partnerships with state and local governments to further access to affordable housing. For instance, DCA's Georgia Dream programs currently operate using the expertise and resources of at least 58 participating lenders.

(7) Strengths and Gaps of the Housing and Community Development Delivery System

Strengths

The system to deliver housing and community development is both diverse and strong in Georgia. While the previous section highlights many of these strengths, the following section briefly summarizes some of these strengths.

- The General Assembly has committed to addressing the problem of homelessness in Georgia through the creation of the State Housing Trust Fund for the Homeless.

- Georgia is ahead of the curve in complying with the Congressional mandate to implement a Homeless Management Information System (HMIS) in 2004. DCA's partnership with Pathways Community Network, an Atlanta-based nonprofit software developer, has resulted in a solid HMIS presence in each of Georgia's continuums. The purpose of HMIS is to generate an unduplicated count of each Continuum of Care's homeless population. This data will also allow agencies to better allocate resources and serve communities in the mission to end homelessness.
- The General Assembly passed legislation during its 2000 session creating the Georgia Housing Tax Credit that expands financing available to create affordable housing opportunities, particularly in rural areas. All projects receiving the federal low income housing tax credit and placed in service after January 1, 2001, are eligible to receive the Georgia Tax Credit.
- The General Assembly passed legislation during its 2000 session to create the OneGeorgia Authority that promotes economic and community development activities in the state's rural communities.
- The consolidation of the state's housing and community development programs under one agency, the Georgia Department of Community Affairs, has enabled the state to better coordinate the implementation of the various programs and has enhanced the resources available to address these needs.
- Many private institutions have formed partnerships with local governments and various nonprofit organizations to assist in addressing Georgia's housing and community development issues.
- Both a formal and informal network of communication exists between providers to match programs and projects with funding sources and to keep the players in Georgia's affordable housing industry updated on important issues.
- The Governor's Council on Developmental Disabilities funds 90% of a position at DCA that focuses solely on improving the housing opportunities available to individuals with disabilities.

Gaps

While many strengths exist in Georgia's system for delivering housing and community development programs to its low- and moderate-income residents, gaps in this structure exist which hinders fully addressing this need. These gaps are summarized below.

- State budget cutbacks have resulted in the decline of financial resources available for HOME match and State Housing Trust Fund for the Homeless allocations.
- Flexible funding sources are needed in order to provide accessibility improvements for owner-occupied housing.
- A dedicated revenue source for the State Housing Trust Fund for the Homeless will further guarantee the viability of the actions undertaken by the fund.

- Local governments and nonprofit organizations often lack the capacity to administer housing and community development programs.
- Additional nonprofit providers need to be created to insure adequate coverage of the state by these organizations.
- Program providers frequently have different funding cycles and/or program timelines that increase the difficulty in accessing the resources of various programs simultaneously.
- Requirements of various federal programs often directly conflict and/or drive up the costs to provide affordable housing opportunities.
- Competitiveness aspect of various federal programs hinders the ability of state and local governments and other providers to annually implement programs.
- Local governments may be unwilling or unfamiliar with the need to address affordable housing, homelessness, and special needs issues.

(8) Georgia's Strategy to Overcome Gaps in its Institutional Structure

The state acknowledges the importance over the next five years in improving the capacity of its institutional structure to deliver affordable housing. To this end, the state will endeavor to increase this capacity in several ways. First, the state will seek to increase the capacity, skills, and effectiveness of local nonprofit organizations and other providers that offer housing assistance. Second, the state will continue to focus on improving the capacity of local governments in meeting local housing needs. Third, the state will encourage the creation of additional nonprofit providers so that each community in Georgia is sufficiently served.

One way that the state is providing assistance to local governments is through the Georgia Initiative for Community Housing (GICH). GICH is a housing technical assistance program that was created through a joint effort of the Georgia Department of Community Affairs, the Georgia Municipal Association, and the University of Georgia's Housing and Demographics Research Center. This institute will offer communities a three-year program of collaboration and technical assistance with the objective of creating and launching a locally based plan that addresses their housing needs.

J. GEORGIA'S STRATEGY TO ENHANCE COORDINATION

The policy of the state of Georgia strongly favors the formation and maintenance of cooperative partnerships with the federal government. Through this cooperation, various state agencies administer numerous federally funded housing and community development programs. Many partnerships with federal agencies also exist at the local level with public housing authorities and HUD entitlement communities.

The state of Georgia also recognizes the importance of cooperative partnerships between state agencies and all housing industry players in effectively addressing affordable housing issues.

Many examples of partnerships and efforts to coordinate Georgia's response to its housing and community development exist, as noted below.

- GHFA has partnered with ten local public housing authorities to create Georgia HAP Administrators, Inc., to provide Housing Choice Voucher HAP Contract Administration services to HUD.
- DCA's Housing Counseling program operates in partnership with Consumer Credit Counseling Service agencies in Georgia to provide one-on-one housing counseling services to households interested in purchasing their first home.
- DCA has collaborated with homeless providers from across the state to develop a Continuum of Care plan for the balance of the state.
- The Georgia Initiative for Community Housing was created through a joint effort of DCA, the Georgia Municipal Association, and the University of Georgia's Housing and Demographics Research Center to provide housing technical assistance to communities in Georgia.
- DCA has partnered with the University of Georgia's Housing and Demographics Research Center and the Georgia Institute of Technology for the development of studies to address housing issues within the state.
- DCA has provided funding to the Statewide Independent Living Council of Georgia, Inc. for the creation of a Zero Step Entrance Power Point presentation. This presentation will explain to builders and contractors how to create a variety of types of cost effective, aesthetically pleasing zero-step entrances for new homes.
- The Georgia Governor's Council on Developmental Disabilities has funded a position at DCA to promote and expand affordable housing options for people with disabilities.
- DCA has partnered with the Georgia Commission on Equal Opportunity to make available fair housing materials which discuss the federal and state fair housing laws and remedies to discrimination.
- The Georgia Interagency Homeless Coordination Council oversees state efforts to address chronic homelessness and review proposed recommendations on how best to solve the problem. It is co-chaired by the Georgia Department of Human Resources and the Georgia Department of Community Affairs and is composed of representatives from the various state departments and other homeless coordination service agencies.
- DCA launched its Team Georgia approach to service delivery on July 1, 2004. The purpose of Team Georgia is to offer more effective service delivery to DCA's customers. Each of the twelve state service delivery regions will have a regional representative assigned to that area. The representative will interact with local governments and partners to facilitate DCA service delivery as needs arise.

DCA also maintains a strong working relationship with the Association of County Commissioners of Georgia (ACCG), and the Georgia Association of Housing Redevelopment Agencies (GAHRA).

As recognition of the importance of this issue over the next five years, the state established the following priority: *To increase coordination, strengthen linkages, 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 will also continue to further its efforts to enhance coordination with the providers of affordable housing and community development activities that benefit Georgia's low- and moderate-income households. In addition, the state will continue to examine and implement ways to address the issues noted below.

- Identifying areas of service delivery and regulation that have a high potential for improvement through enhanced coordination.
- Developing formal and informal mechanisms within and between agencies and other organizations to effect coordination among all parties.
- Undertaking efforts to coordinate the timing of various program application cycles to facilitate simultaneous access to these funds.
- Evaluating methods of sharing program, activity, and needs information among housing and community development providers.

K. GEORGIA'S STRATEGIES TO COORDINATE THE LOW INCOME HOUSING TAX CREDIT WITH THE DEVELOPMENT OF AFFORDABLE HOUSING

(1) Use of the Low Income Housing Tax Credit in Georgia

Administered by DCA on behalf of the Georgia Housing Finance Authority (GHFA), the state's Low Income Housing Tax Credit program was created in accordance with provisions of the Tax Reform Act of 1986. This program promotes the development of low income rental housing through tax incentives rather than direct subsidies. In exchange, tax credit recipients must maintain rent levels affordable to low-income households.

The tax credit is a direct dollar-for-dollar credit against a taxpayer's federal income tax liability on ordinary income (salaries, wages, and other business expenses). The tax credit may be taken annually over a ten year period subject to passive loss limitations. The tax credit may equal up to 9% annually the depreciable cost of the low-income units if the units are financed conventionally or up to 4% if financed with tax-exempt bonds or through other federal subsidies.

The annual federal credit dollar amount allocated to Georgia equals \$1.75 multiplied by the federal government's estimate of Georgia's population and indexed for cost-of-living adjustments. From its annual authority, DCA allocates its credit based on the strength of the

projects submitted and evaluated based on the state's Qualified Allocation Plan. The full text of the Georgia's most current Qualified Allocation Plan may be found in Appendix E.

(2) Coordinating the Low Income Housing Tax Credit with Other Affordable Housing Initiatives

To facilitate access to various funding sources available to finance affordable rental housing development, DCA offers its Low Income Housing Tax credit allocation through a single, annual application process with its available HOME resources. DCA also integrates the federal Low Income Housing Tax Credit with the Housing Choice Voucher. A developer may agree to accept a Housing Choice Voucher contract for the designation of up to 10 units or 5% of the total units, whichever is less, for occupancy by tenants with special needs who are receiving supportive services through the Georgia Department of Human Resources. This new opportunity should expand the number of housing units available to persons with special needs.

During its 2000 session, the Georgia 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.

L. PUBLIC HOUSING RESIDENT INITIATIVES

No public housing authorities are operated by the Georgia Housing and Finance Authority, the Georgia Department of Community Affairs, or any other state agency. Therefore, the state has not developed a plan to encourage public housing residents to become more involved in the management of public housing or to become owners of their public housing units. However, the state encourages each individual public housing authority to develop such a plan.

As the state entity responsible for the development of the Consolidated Plan, DCA annually reviews the public housing agency plans prepared by local public housing authorities outside of the state's local entitlement jurisdictions. Many of these plans contain provisions to encourage public housing resident involvement in the administration and management of the units.

Section VI. Action Plan

A. INTRODUCTION

This document details the State's plan for use of its consolidated formula FFY2005 funding allocation from the U.S. Department of Housing and Urban Development during SFY2006, (July 1, 2005 through June 30, 2006).

The State's allocation of CDBG funds and activities during SFY2006 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 SFY2006 reflects the FFY2005 consolidated program funding amounts for which it is estimated that the State will be eligible to receive from HUD. This projected allocation is divided between programs as follows: CDBG (\$44,682,266); HOME (\$23,246,789); ESGP (\$2,085,940); HOPWA (\$1,527,000). In addition, the State is anticipated to receive an allocation of ADDI funds totaling \$720,182.

Activities planned for SFY2006 to meet the State's housing priorities and objectives include:

- Rehabilitate or construct 364 affordable rental housing units for low or moderate income households.
- Provide 16,800 low or moderate income households with rental assistance.
- Assist 704 low or moderate income households achieve or maintain homeownership.
- Increase the number of Spanish speaking households under all programs by 100 percent.
- Make funding awards to organizations that provide housing and supportive services necessary to break the cycle of homelessness assisting an estimated 13,000 homeless persons daily.
- Make funding awards to organizations that provide the housing and supportive services necessary for 600 special need households to achieve decent, safe and sanitary living conditions.
- Provide housing assistance and information to 80 special need households in order to enable them to transfer from institutional to community living situations.
- Make funding awards to local governments, or organizations that assist 87 elderly persons with housing and/or supportive services necessary to achieve or maintain 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 SFY2006.

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 form SF-424 for the CDBG program will be inserted on this page in the final Action Plan document.

Application form SF-424 for the HOME and ADDI program will be inserted on this page in the final Action Plan document.

Application form SF-424 for the ESGP program will be inserted on this page in the final Action Plan document.

Application form SF-424 for the HOPWA Program will be inserted on this page in the final Action Plan document.

C. FEDERAL RESOURCES AVAILABLE TO GEORGIA

Overview of FFY2005 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 five 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 \$72,262,177 in consolidated formula allocation will be received in FFY2005. These funds are divided among programs as follows:

CDBG:	\$44,692,413
HOME:	\$23,246,789
ESGP:	\$ 2,085,940
HOPWA:	\$ 1,527,000
ADDI:	\$ 720,182

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 SFY2006 using a seventh allocation of funds received for FFY2004. GHFA will apply to HUD for an eighth funding cycle to keep this program available through the entirety of SFY2006.

GHFA also received an allocation of HUD Housing Counseling funds in 2004 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 SFY2006. 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. The 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, 2006.

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, and promote visitability features for inclusion in all housing construction.

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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, or Home Access 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 support service programs in SFY2006 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 households who are homeless or threatened with homelessness and who have either a mental or developmental disability or are recovering substance abusers. 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 targeted tenants. Supportive services must be provided that are applicable to the needs of the targeted 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 \$500,000 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 FFY2004 the total amount of cash and non-cash resources pledged to the CDBG funded projects totaled \$34,180,081.

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 FFY2004 CDBG funds totals \$909,876. DCA estimates that a similar amount will be provided for FFY2005 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 \$23,246,789 in FFY2005 HOME funds to address housing needs. The State proposes to operate the following thirteen programs using its FFY2005 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 households who are homeless or threatened with homelessness and who have a mental or developmental disability or are recovering substance abusers. Construction and permanent financing is available for the cost of constructing or rehabilitating rental housing for targeted special need tenants. The dwelling units must be affordable to low-income households and at least 50% of the total units must be available to the targeted 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 First Mortgage program.
- Rural Development 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 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 borrowers to cover costs associated with down payment, closing costs, prepaid expenses, and principal reduction. To be eligible for assistance, at least one individual residing in the household must have a disability. This program provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- 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 costs, and pre-paid expenses 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.
- 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 SFY2006, 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 approved, HOME eligible housing activities, except tenant-based rental assistance. 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 50% of its FFY2005 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 14% of its allocation for competitive distribution to community housing development organizations (CHDOs). Fourteen percent of the FFY2005 HOME allocation will be made available to CHDOs, in the form of grants or loans, on a first-come, first-served basis. An estimated 39% of the FFY2005 HOME allocation will be available as construction loans on a first-come, first-served basis to eligible applicants through DCA's Permanent Supportive Housing Program. No FFY2005 funds will be made available to public housing authorities selected through a Request for Qualifications to receive education and development assistance through the Rural Rental Housing Development Fund, to qualified home buyers through DCA's Georgia Dream Second Mortgage program, or to eligible developers through DCA's Single Family Development program.

Funding available for each of these programs will utilize remaining funds from FFY2004 or earlier. 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 Preliminary Distribution Method of HOME Funding

Proposed Distribution Method	Percentage Available
Available Competitively	50%
- Reserved for CHDOs	14%
Available First-Come, First-Served	40%
- Reserved for CHDOs	14%
Available Request for Qualifications	0%
Program Administration	10%

SOURCE: DCA.

DCA intends to distribute its anticipated allocation of FFY2005 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 SFY2006 program year, as production demand warrants.

Table 2: Proposed Preliminary Distribution of FFY2005 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.	\$4,781,543 \$0 \$6,000,000 \$153,548
HOME Rental Housing Loan (CHDO allocation); HOME CHDO Predevelopment Loan; and Permanent Supportive Housing (CHDO allocation) program	\$3,337,019 \$150,000 \$3,000,000
Georgia Dream Second Mortgage, Rural Development Georgia Dream Second Mortgage; Efficient or Visitable; Home At Last; PEN; and CHOICE programs	\$0
Single Family Development Program	\$0
Community HOME Investment Program (CHIP)	\$3,500,000
Administration	\$2,324,679

*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 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 Program, 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.

DCA will solicit applications to the Single Family Development program 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 down payment assistance, single family rehabilitation and single family new construction activities within their community. 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 other interested nonprofit and for-profit housing developers, and supportive service providers.

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

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

Rural Development 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, 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 as they proceed through the home buying process. The Lead Agency will maintain communication with the household during both pre-purchase and post-purchase periods.

During SFY2006, 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. DCA will continually evaluate opportunities to expand this program beyond the identified counties and may add or remove counties based on this process.

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 home buyer for up to two (2) years following the date the home buyer 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, including the award of bonus points as part of an overall DCA approved revitalization area effort or as part of an equivalent process.

CHIP makes federal HOME funds available to local governments for housing activities designed to benefit low income households for approved HOME eligible activities except tenant-based rental assistance. Local governments participating in the CHIP program are referred to in the HOME regulations as "State Recipients." CHIP funds may also be used in conjunction with State CDBG resources that are available jointly through a single application process. Eligible 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 home buyers, new construction, reconstruction and rehabilitation. Eligible costs include real property acquisition, site improvements, conversion, demolition and other expenses including financing costs and relocation expenses of any displaced persons, families, businesses or organizations. 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, setting and location of low income housing projects
9. Public bodies or public instrumentalities are prohibited
10. Paid professional staff or demonstrated staff capacity
11. Relationship with for-profit entities as sponsors or having control is limited
12. Financial accountability standards
13. One year experience.

State CHDO Requirements:

In-State Nonprofits

1. Financial viability of the nonprofit based on a review of financial statements to ensure viability and capability of performing housing development functions.
2. The nonprofit's board must represent at least 1/3 of the counties within the organization's 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 November 30, 2004, the State has prequalified twenty-three nonprofits as CHDOs for calendar year 2005.

During SFY2006, 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 supportive housing for 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 from the proceeds of mortgage revenue bonds issued by GHFA, and from the Georgia Housing Tax Credit to meet the State's HOME program match requirements.

Monies from the State General Assembly will be loaned to applicants in accordance with HOME program guidelines and the repayments of these dollars will be used as HOME funds. 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 SFY2004 (July 1, 2003 through June 30, 2004), the State spent a majority of its funds in rural counties. Slightly over \$2.9 million (23%) in HOME funds were spent on affordable housing located in urban areas; while \$9.9 million (77%) of its funds were used in rural areas. However, the report also noted that 279 units (43%) were created in urban areas, while 361 units (57%) 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 SFY2006:

- 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 five full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. The five 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 Community 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 home buyers 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:

Sale, Transfer or Foreclosure:

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

Assumption of the First Mortgage:

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

Subordination of the HOME Loan:

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

In order to determine the amount of the home equity loan or the new first mortgage, DCA will review the HUD-1 Settlement Statement or other documentation DCA determines is appropriate. An appraisal performed within the previous 60 days and used to determine

the market value of the property for the new loan must also be included with the loan documentation for our review. DCA will charge the borrower a processing fee of \$125 to cover the administrative cost of the subordination.

Guidelines for Recapture of HOME Funds Used for the 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:

Sale, Transfer or Foreclosure:

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

Assumption of the First Mortgage:

DCA will allow an assumption of the Home 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 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. 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. If the net proceeds are not sufficient to recapture the full amount of the CHIP investment plus enable the homeowner to recover the amount of the homeowner’s down payment and any capital improvement investment made by the homeowner since purchase, the city or county must share the net proceeds with the homeowner. In this case, the net proceeds will be divided proportionally as set forth herein by mathematical formula:

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

HOME investment

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

Homeowner investment

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

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

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

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

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

Leveraging Requirements for the CHIP Program

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

Tenant-Based Rental Assistance

The State does not propose to provide tenant based rental assistance through any of its HOME funded programs during SFY2006. 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, including:

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.

It is anticipated that HUD will make \$720,182 in ADDI funds available for FFY2005. The State proposes to operate the following six programs using its FFY2005 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 costs, 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 borrowers to cover costs associated with down payment, closing costs, prepaid expenses, and principal reduction. To be eligible for assistance, at least one individual residing in the household must have a disability. This program provides between \$7,500 and \$20,000 in financial assistance based on the income level of the borrower and the location within Georgia where they would like to purchase a home.

- 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 costs, pre-paid expenses, 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;
- All recipients must be first time home buyers;
- The minimum amount of ADDI funds that can be invested in a project involving homeownership is \$1,000 per unit;

- The proposed project must be economically feasible;
- The maximum award per project varies by program, ranging between \$5,000 and \$20,000.

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

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

Rural Development 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 SFY2006, 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. DCA will continually evaluate opportunities to expand this program beyond the identified counties and may add or remove counties based on this process.

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 home buyer closed on the loan.

Geographic Allocation of ADDI Funds

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

To help increase the expenditure of ADDI funds in the State’s rural counties, the following policies will be implemented during SFY2006:

- 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 five full-time staff working with lenders, local officials, and other community leaders to increase the rate of homeownership in their area. The five marketing staff members spend the majority of their time working outside of metropolitan Atlanta.
- Further, the interest rate of the Georgia Dream First Mortgage Program 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 ADDI funds: Georgia Dream Second Mortgage, EV, PEN, HAL, and CHOICE, collectively referred to in this section as the “ADDI Loan.” Each program will provide assistance to moderate and low income families and individuals who are first-time home buyers, for principal reduction and to cover the down payment, closing costs and prepaid expenses associated with their home purchase.

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

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

Sale, Transfer or Foreclosure:

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

Assumption of the First Mortgage:

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

Subordination of the ADDI loan:

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

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

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

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

- DCA will provide information concerning the 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 encourage all families, applying for ADDI funds, to contact a participating lender prior to signing a sales contract to review the family's credit history 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.

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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 U.S. Department of Housing and Urban Development has awarded the State \$44,692,413 in FFY2005 CDBG funds 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 in the method of distribution.

Revitalization Area Incentives

For FFY2005 Regular Round CDBG program, the Department will introduce incentives for the development of comprehensive community revitalization strategies. Communities opting to develop and implement these strategies will be given the opportunity to:

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

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

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

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

Types of Grants

During the FFY2005 program year, the Georgia CDBG program is divided into four separate components: (1) The Regular Annual Competition, (2) The Immediate Threat and Danger Grant Program, (3) The Employment Incentive Program (EIP) and (4) The Redevelopment Fund

- A) Applications under the Annual Competition must be for either a single-activity or multi-activity grant:
 - 1) Single-activity grant applications must be structured to address problems within one of the following three areas: (a) housing, (b) public facilities, or (c) economic development. Single-activity grant applications may qualify for Revitalization Area bonus points.
 - 2) Multi-activity grant applications must involve two or more activities that address community development needs in a comprehensive manner. This funding component requires an applicant to address problems within more than one of the areas listed above. Multi-activity grant applications may qualify for Revitalization Area bonus points.
- B) Immediate Threat and Danger (ITAD) applications must address an event or situation that has a particular urgency and uniqueness which adversely affects or 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

Annual Competition: Single Activity	\$	500,000
Annual Competition: Multi Activity	\$	800,000
Immediate Threat and Danger Program	\$	50,000
Employment Incentive Program	\$	500,000
The Redevelopment Fund	\$	500,000

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

Restrictions on Eligibility for Competition and Award

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

- G) Paragraph C shall not apply in the case of two or more counties applying together to carry out a project of regional impact. Such applications, however, which are not actually regional in nature (which could have been submitted by only one county) may not be funded.
- H) All CDBG recipients are expected to expend one hundred percent (100%) of all funds within twenty-four (24) months from the date of the grant award made by DCA. 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.** (This provision does not apply to the Immediate Threat and Danger Grant Program, the CDBG Loan Guarantee Program, the Employment Incentive Program, or the Redevelopment Fund).

Annual Competition

Rating and Ranking System for the Regular Annual Competition

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

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

	Maximum Points
Demographic Need - absolute number in poverty	40
Demographic Need - percent of poverty persons	40
Demographic Need - per capita income	40
Program Feasibility	110
Program Strategy	110
Project Impact	110
Leverage of Additional Resources	30
Bonus points for Revitalization Area Activities	20
Maximum Total Points	500

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

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

B) Demographic Need - percent of people in poverty:

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

C) Demographic Need - per capita income:

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

D) Program Feasibility:

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

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

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

E) Program Impact:

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

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

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

F) Program Strategy:

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

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

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

G) Leverage of Additional Resources:

Leverage includes additional resources committed to and directly related to the project, including cash above the required minimum cash match amount, the purchase of equipment and furnishings with non-CDBG funds, and additional grants and loans from other sources. The proposed leverage amount claimed by the applicant will only be counted where firm written commitments are provided from the source of the leverage. Only items that would not otherwise have been provided will be counted. A "reasonable" value must be assigned to donated and "in-kind" items. Up to 30 points can be assigned for leverage of additional resources.

Beginning with CDBG awards from the FY2005 allocation, the Office of Grant Administration will verify that the leverage proposed by the local government and counted by DCA has in fact been provided. Grants will not be closed and final payments may not be made prior to this verification.

In addition, the following policy will apply to leveraged funds in the event of cost under-runs and grant deobligations:

- In the event of cost under-runs/grant deobligations, the amount of leverage pledged to the amended CDBG grant will be required to be the same amount as pledged under the original grant award unless otherwise approved by DCA.
- DCA will consider reducing the required amount of leveraged funds upon petition by the local government recipient, and DCA will review the petition and take into account the following factors: 1) the impact of the reduction in leverage on the CDBG project; 2) the impact of the reduction in leverage on the original application score; and 3) other factors that may be pertinent to the situation.
- In no event will a reduction in leverage be more than an amount that results in the percentage leverage contribution falling below the original percentage leverage contribution as defined in the grant award's source and use statement unless approved by DCA on an exception basis.

The leverage score will be calculated as follows:

1) Total dollar value of leverage for each applicant will be calculated and then divided by the total population of the applicant in order to obtain a per capita leverage figure reflective of each applicant's relative effort.

2) Applications will be assigned to one of five groups:

- Multi-activity
- Housing
- Economic Development
- Water and/or Sewer
- Other Public Facilities

3) The applications will then be ranked within these groups, based on per capita leverage amounts, and points assigned based on the ranking.

4) Applications with no leverage will receive no points.

5) Up to 30 points can be assigned for leverage of additional resources. The ranking will be established using the range of applicant's per capita leverage amounts (from 0 to the highest per capita leverage) and calculating a percentile score for each applicant's per capita leverage amount within the range. This percentile score will be multiplied times 30 to establish the points for per capita leverage. For example, if an applicant's per capita leverage amount is \$300 and if \$300 represents a percentile score of 50 percent, the leverage points will be 15 (.50 x 30).

H) Bonus points for Revitalization Area Activities:

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

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

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

3) Investment Partnerships: (maximum of 5 Bonus Points): Points may be earned through the incorporation into the local program of certain job creation/retention, revitalization, residential improvement or social service funding programs geographically targeted to the areas of eligibility. Various programs including public programs chartered by the State of Georgia, the Georgia Housing and Finance Authority, the U.S. Department of Treasury, the SBA, the USDA, the Federal Home Loan Bank, the TVA, HUD, and DOL. The leveraging of private funds from various philanthropic, non-profit and/or faith-based organizations will also be rewarded. In order to receive these points, the applicant must provide documentation showing a firm, long-term commitment by investment partners or a long-term commitment by the applicant to use investment partners as part of their Revitalization Area strategy. A long-term commitment by the applicant may be demonstrated by past use of investment partners, plans to incorporate investment partners in its current CDBG project, and the necessary local capacity to use investment partners on an ongoing basis; and/or

4) Collaboration (maximum of 5 Bonus Points): Points may be earned through the demonstration that initiatives will be created and/or undertaken within the eligible area by private for-profit and not-for-profit community stakeholders. Such stakeholders may include local lending institutions, community or neighborhood housing organizations, community based development organizations, community development corporations, community development entities, and other similar organizations. In order to receive these points, the applicant must show that the collaborative stakeholder organizations have a firm commitment to the community, have taken responsibility for carrying out one or more aspects of a Revitalization Area strategy, have sound financial and administrative practices, and the ability to carry out the functions for which they are taking responsibility. Such evidence will include letters of commitment, agreements, programmatic material articles of incorporation and registration from the Secretary of State, audited financial statements or financial review, budgets, IRS determination letter for 501 (c) 3 status, or other evidence of capacity and commitment. Nonprofits that receive \$25,000 or more in direct or pass-through federal funding during a single fiscal year are usually required to have an audit.

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

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

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

1. Map Requirements: Applications shall contain three copies of a map of the revitalization area. Such map shall be prepared in accordance with the minimum map standards and specifications as outlined in the CDBG Application Manual.

2. Strategy Plan Requirements:

- i. Citizen Participation –Along with the area map and description submitted, the locality must provide evidence that a local citizens’ participation process was used that not only meets the requirements of 24 CFR 91.115 and 24 CFR 570.486(a) but also demonstrate that local residents fully support the proposed strategy. Such evidence may include, but is not limited to, minutes and advertisements of public meetings, advisory committee lists and minutes, letters of support from participating organizations and signed petitions from area residents.
- ii. An Opportunity Zone designated pursuant to O.C.G.A. 48-7-40.1 (c.) (4) will generally be assumed to meet the Revitalization Area Threshold Criterion at Section H(1) and the Local Redevelopment Tools Criterion at Section H(2).
- iii. Local Revitalization Area designation is valid for three years at which time the sponsoring entity must reapply for designation with DCA. If the community desires to alter the boundaries of an approved Revitalization Area in the meantime, an amended map and any additional pertinent information must be submitted to DCA for approval.
- iv. Applications for designation must include an assessment of the economic conditions of the proposed area to include:
 1. Taxable value of property for the most recent tax year available.
 2. Unemployment rate.
 3. Percentage of low- to moderate-income residents.
 4. Number of business/occupational licenses issued.
 5. Number and value of building permits issued.
 6. Any other information deemed important to document economic conditions.
- v. Each year, designated Revitalization Area managers must submit a performance report to DCA that includes the activities and projects undertaken in the area and information on the economic conditions of the revitalization strategy area that includes:
 1. Taxable value of property for the most recent tax year available.
 2. Unemployment rate.
 3. Percentage of low- to moderate-income residents.
 4. Number of business/occupational licenses issued.
 5. Number and value of building permits issued.
 6. Total number of jobs created.
 7. Number of low- to moderate-income jobs created.
- vi. There is no limit to the number of revitalization areas a community may designate, although parcels within a single designated area must be contiguous.

Final Ranking and Grant Selection: The Regular Annual Competition

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

Matching Requirements for the Regular Annual Competition

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

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

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

Employment Incentive Program

Special Provisions for the Employment Incentive Program

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

Activities identified in Section 105 of the Housing and Community Development Act of 1974 as amended 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 FFY2005 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 DCA for the CDBG Program will be set-aside for this program.

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

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

Grant Amount

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

Application Procedures

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

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

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

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

Rating and Review Procedure

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

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

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

Rating and Review Criteria

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

Factor 1: Demographic Need

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

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

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

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

Factor 2: Feasibility

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

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

Factor 3: Strategy

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

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

Factor 4: Leverage

Leverage points will be awarded based on a firm commitment of additional resources directly related to the project, including capital costs and new funds for operation of any proposed program(s). The “leverage ratio” of other private or public funds will be the criterion considered. A minimum leverage ratio of 1 to 1 must be documented in order to receive points under this criterion. A “reasonable” value must be assigned to donated and “in-kind” items. The leverage score will be calculated based on the total value of leverage for each applicant. Applications with no leverage will receive no points. Points will be awarded by a DCA staff review panel as follows:

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

The Immediate Threat and Danger Program

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

Grant amounts under this program generally cannot exceed \$50,000.

Generally, a grant awarded under this program cannot be more than 50% of the project cost. The applicant (local government) must provide at least 10% of the project cost. These requirements may be waived in extraordinary circumstances.

In case of a "major disaster," the Commissioner will determine the extent of DCA involvement. The Commissioner may waive the maximum grant amount and other requirements in case of a "major disaster."

Immediate Threat and Danger Application and Review Procedures

Applications can be submitted at any time and funds will be awarded to eligible applicants who meet the threshold described above, as long as funds remain in the set-aside amount.

Applications must include a certification that other financial resources are not available to meet the identified needs, the situation poses a serious and immediate threat, and 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 2005 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: 2005 Program Year

The table below presents the proposed allocation of FFY2005 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 2005
Anticipated Funding and Allocation of CDBG Funds**

Award From HUD:		<u>\$44,692,413</u>
Less Set-Aside For:	State Administration	\$993,848
	Immediate Threat & Danger Program	\$500,000
	The Redevelopment Fund	\$1,500,000
	Employment Incentive Program	\$7,000,000
	Technical Assistance	<u>\$446,924</u>
Remainder:	Available for Regular Competition	\$34,251,641

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

Eligible Activities

Eligible activities under the Section 108 program are those identified in 24 CFR Part 570.703 which include (but are not limited to): (a) Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development purposes; (b) Rehabilitation of real property owned or acquired by the public entity or its designated public agency; (c) Payment of interest on obligations guaranteed under the 108 program; (d) Clearance, demolition and removal, including movement of structures to other sites, of buildings and improvements on real property acquired or rehabilitated pursuant to paragraphs (a) and (b) of this section; (e) Site preparation, including construction, reconstruction, or installation of public and other site improvements, utilities, or facilities (other than buildings), which is related to the redevelopment or use of the real property acquired or rehabilitated pursuant to activities a and b of this section, or for an economic development purpose; (f) Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt obligations under the 108 program; (g) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit sub-recipients; (h) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in CFR Part [570.207](#)(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods. (i) A debt service reserve to be used in accordance with requirements specified in the contract entered into pursuant to CFR Part [570.705](#)(b)(1); and (j) Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), public streets, sidewalks, and other site improvements and public utilities.

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

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
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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 \$2,085,940 in FFY2005 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 ESGP 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 - \$75,000 per organization. The limit for Development projects may be exceeded for new projects that will shelter more than 50 persons.

Net FFY2005 funds available under the HUD ESG Program are estimated to be \$2,085,940. State HTF Commission funds available are estimated to be \$2,085,940; a total of \$4,171,880.

The Application Process

Applications will be solicited by means of a notice of availability of State ESGP Application Guidelines for the 2005 – 2006 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 2005-2006 funds available through the annual allocation process are expected to be due on or around Monday, April 4, 2005. 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, 2005 or after January 1, 2006.

Funding announcements are expected by June 30, 2005 for applications that are complete when submitted on or before the April 4, 2005 deadline.

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

Applications must be submitted on forms provided by DCA. The applicant must provide required certifications and provide all supporting documentation requested by DCA. Each applicant must demonstrate to the satisfaction of DCA that it 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, 2005 and ending on June 30, 2006. 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 DCA 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 purpose of the HOPWA program is to provide housing (shelter, transitional, or permanent) for lower income persons with HIV or AIDS. Limited services may also be provided with HOPWA funds. HOPWA funds are typically sub-granted to nonprofit agencies within the communities. Typically, these agencies make their own rules for programs, provided that such rules are within the scope of HOPWA regulations and guidance from HUD. In Georgia, HUD provides formula funds to two (2) other government entities in addition to DCA.

The largest recipient is the City of Atlanta. Atlanta receives a formula share for the entire metro Atlanta "Metropolitan Statistical Area" (MSA) that includes twenty-eight (28) counties. Those counties include Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton. Atlanta makes HOPWA sub-grants to numerous sponsors in the MSA. For more information, contact Ms. Mary Leslie at the City of Atlanta, (404) 330-6112 x5069.

The smallest recipient is the Augusta-Richmond County government. Augusta-Richmond County receives a formula share for four (4) metro Augusta MSA counties, including Burke, Columbia, McDuffie and Richmond. For more information on Augusta's programs, contact Mr. Warren Smith of Augusta-Richmond County at (706) 821-1797.

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

The State estimates that HUD will make available to the State \$1,527,000 in FFY2005 Housing Opportunities for Persons with AIDS (HOPWA) program funds. The Georgia Housing and Finance Authority (GHFA) will be the recipient of the State's HOPWA allocation. GHFA will contract with the Georgia Department of Community Affairs (DCA) to administer the programs funded by this HOPWA allocation.

Local government entities are eligible to apply for HOPWA funds and 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 2005 – 2006 Program Year. This notice will be emailed and/or 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 2005-2006 funds are expected to be due on or around April 4, 2005. 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, 2005 and ending on June 30, 2006. 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 FFY2005 funds available under the HOPWA program are estimated to be \$1,527,000. Additional allocations may be made from funds recaptured from prior year obligations. Funds available may be allocated prior to July 1, 2005, 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 counties with the 28-county Atlanta (Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pike, Rockdale, Spalding, Troup, and Walton) and the 4-county Augusta (Burke, Columbia, McDuffie, Richmond) entitlements.

J. Georgia's Activities To Meet The State's Housing Priorities And Objectives

This section outlines the activities that the State will undertake during SFY2006 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 federal 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: **Construct** affordable, rental housing units for 18 extremely low, 105 low, and 213 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: FFY2005 HOME funds; SFY2006 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 targeted special need tenants.
Investment: FFY2005 HOME funds; SFY2006 State Housing Trust Fund for the Homeless funds.
- Activity #1(D): 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: FFY2005 HOME funds.
- Activity #1(E): Implement Georgia's Regular Annual CDBG Competition which may assist local units of government to implement rental housing construction programs to benefit households of low and moderate income.
Investment: FFY2005 CDBG funds.
- Activity #1(F): 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: FFY2005 Low Income Housing Tax Credit allocation; SFY2006 Georgia Housing Tax Credit.

Objective #2:

Rehabilitate affordable, rental housing units for 7 extremely low, 15 low, and 6 moderate income households.

Activity #2(A): Implement Georgia's HOME Rental Housing Loan program to provide loans to for-profit and nonprofit housing sponsors, including CHDOs, to construct new or rehabilitate existing rental housing.
Investment: FFY2005 HOME funds; SFY2006 State Match funds to the HOME Program.

Activity #2(B): Implement Georgia's Permanent Supportive Housing Program to provide construction and permanent financing to qualified CHDOs, other nonprofits, and for-profit housing developers for the construction or rehabilitation of rental housing for targeted special need tenants.
Investment: FFY2005 HOME funds; SFY2006 State Housing Trust Fund for the Homeless funds.

Activity #2(C): 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: FFY2005 Low Income Housing Tax Credit allocation; SFY2006 Georgia Housing Tax Credit.

Activity #2(D): 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: FFY2005 HOME funds.

Activity #2(E): Implement Georgia's Regular Annual CDBG Competition which may assist local units of government to implement rental housing rehabilitation programs to benefit households of low and moderate income.
Investment: FFY2005 CDBG funds.

Objective #3: Provide 12,432 extremely low, 3,696 low-income, and 3,696 moderate-income households with rental assistance.

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

Activity #3(B): Implement Georgia's Shelter Plus Care program which provides rental assistance for homeless people with disabilities.
Investment: FFY2005 Shelter Plus Care funds.

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

Objective #4: Assist 5 low, 48 moderate income households with the *construction of housing* so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #4(A): Implement Georgia's 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: FFY2005 HOME funds.

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

Investment: FFY2005 HOME funds.

Activity #4(C): 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: FFY2005 CDBG funds.

Objective #5: Assist 49 extremely low, 81 low, and 46 moderate income households with *rehabilitation* so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #5(A): Implement Georgia's 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: FFY2005 HOME funds.

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

Investment: FFY2005 HOME funds.

Activity #5(C): Implement Georgia's Annual CDBG Competition which may assist local units of government to implement housing rehabilitation and/or down payment assistance programs to benefit homeowners and potential homeowners of low and moderate income.

Investment: FFY2005 CDBG funds.

Objective #6

Assist 20 extremely low, 110 low, and 345 moderate income households with *down payment assistance* and 5,000 with *home buyer education* so that they may achieve homeownership in housing free of overcrowded and structurally substandard conditions.

Activity #6(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: FFY2005 HOME funds; SFY2006 State Match funds to the HOME Program, and FFY2005 ADDI funds.

Activity #6(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: FFY2005 HOME funds, and FFY2005 ADDI funds.

Activity #6(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.

Activity #6(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.

- Activity #6(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.
- Activity #6(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 #6(G): 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, and funds to pay down payment and closing cost assistance of eligible buyers.
Investment: FFY2005 HOME funds.
- Activity #6(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: FFY2005 HOME funds.
- Activity #6(I): Implement Georgia's 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: FFY2005 CDBG funds.

Activity #6(J): 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 #6(K): 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 #6(L): 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 Latino population to a continuum of housing and supportive services which address their housing, economic and social needs.

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

Activity #7(A): Establish partnerships with organizations that assist the Spanish speaking community.
Investment: HOME Administrative funds; SFY2006 Housing Counseling Grant.

Activity #7(B): Implement a procedure to forward calls from Spanish speaking individuals to a dedicated phone line where they can receive information about assistance.
Investment: HOME Administrative funds; SFY2006 Housing Counseling Grant.

Activity #7(C): Produce additional brochures in Spanish to inform the Spanish speaking population of assistance available through DCA.
Investment: HOME Administrative funds; SFY2006 Housing Counseling Grant.

Activity #7(D): Implement a Spanish version of DCA's current website.
Investment: State appropriations.

Activity #7(E): Provide housing counseling and home buyer education.
Investment: HOME Administrative funds; SFY2006 Housing Counseling Grant.

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

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

- Activity #8(A): Implement Georgia's Emergency Shelter Grant program which provides financial assistance to nonprofits and local governments that offer shelter and services to meet the emergency needs of homeless individuals and families.
Investment: 50% of funds through FFY2005 ESGP allocation, 50% of funds through SFY2006 State Housing Trust Fund for the Homeless allocation.
- Activity #8(B): Implement Georgia's Housing Opportunities for Persons with AIDS (HOPWA) program which provides financing to providers of housing and supportive services for people living with AIDS.
Investment: FFY2005 HOPWA funds.
- Activity #8(C): Implement Georgia's Permanent Supportive Housing Program to provide construction and permanent financing to qualified CHDOs, other nonprofits, and for-profit housing developers for the construction or rehabilitation of rental housing for targeted special need tenants.
Investment: FFY2005 HOME funds; SFY2006 State Housing Trust Fund for the Homeless funds.
- Activity #8(D): Implement Georgia's Regular CDBG Competition that may assist local units of government to implement programs that benefit Georgia's homeless.
Investment: FFY2005 CDBG funds.
- Activity #8(E): Implement Georgia's Shelter Plus Care program which provides rental assistance for homeless people with disabilities.
Investment: FFY2005 Shelter Plus Care funds.

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

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

Objective #9: Make funding awards to organizations or households that assist 600 Special Need households with the housing and supportive services necessary to achieve decent, safe and sanitary living conditions.

Activity #9(A): Implement Georgia's Housing Opportunities for Persons with AIDS (HOPWA) program which provides assistance to providers of housing and supportive services for people living with AIDS.
Investment: FFY2005 HOPWA funds.

Activity #9(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: FFY2005 HOME funds; SFY2006 State Match funds to the HOME Program.

Activity #9(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 targeted special need tenants.
Investment: FFY2005 HOME funds; SFY2006 State Housing Trust Fund for the Homeless funds.

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

Investment: FFY2005 CDBG funds.

Activity #9(E): 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 #9(G): 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: FFY2005 HOME funds, and FFY2005 ADDI funds.

Activity #9(H): 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 Certificate and Vouchers.

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

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

Investment: HOME Administrative funds.

Activity #10(B): Implement the Permanent Supportive Housing Program.

Investment: FFY2005 HOME Funds, and State Housing Trust Fund.

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

Investment: Section 8 Housing Choice Certificates and Vouchers.

Activity #10(D): Market housing opportunities through the Rental Access Network web site.

Investment: HOME Administrative funds.

Activity #10(E): Identify non-HUD financed rental properties with project based rental assistance.

Investment: HOME Administrative funds; SFY2006 Housing Counseling Grant.

PRIORITY:

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

Objective #11:

Make funding awards to local governments, or organizations that assist 87 Elderly persons with the housing and/or supportive services necessary to achieve or maintain decent, safe and sanitary living conditions.

Activity #11(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: FFY2005 HOME funds; SFY2006 State Match funds to the HOME Program, and FFY2005 ADDI funds.

Activity #11(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: FFY2005 HOME funds, and FFY2005 ADDI funds.

- Activity #11(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.
- Activity #11(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.
- Activity #11(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: FFY2005 HOME funds, SFY2006 State Match funds to the HOME program, and FFY2005 ADDI funds.
- Activity #11(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 #11(G): 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: FFY2005 HOME funds.

Activity #11(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: FFY2005 HOME funds.

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

Investment: FFY2005 CDBG funds.

Activity #11(J): 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 #11(K): 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 #11(L):

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.

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 SFY2006 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.
- 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.
- Continue using a 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 SFY2006, 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 SFY2006, the State will also continue the implementation its CHOICE program which makes loans to qualified borrowers in a household in which at least one member has a disability in order to cover down payment costs and for principal reduction. Between \$7,500 and \$20,000 in financial assistance will be provided to eligible applicants, based on the income level of the borrower and the location within Georgia where they would like to purchase a home.
- DCA will continue its 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. Additionally the State instituted a criterion that applicants to the Rental Housing Program that already have properties funded by DCA must have those registered in DCA's Rental Access Network if those properties are identified by the Development Team for meeting the program's experience requirements.

- During SFY2006, 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 special need tenants who are homeless or threatened with homelessness and who have either mental or developmental disabilities or are recovering substance abusers. 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 may 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.
- Supporting the efforts of service providers through the Housing Trust Fund to assist the homeless.
- Continuing to strive to assist designated HOPWA project sponsors with the expansion or enhancement of their organizational capacity and/or current programs.
- Continuing to encourage nonprofit agencies in the southern and southwestern area of the state to initiate HOPWA programs to meet the rural needs of persons with HIV/AIDS in rural areas.
- Using the Community Housing Initiative to coordinate linkages between DCA, local private lenders, 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 FFY2005 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 SFY2006, 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 individuals with physical disabilities 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 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 service providers for individuals with disabilities to better link information about affordable, available rental units to their clients.

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- 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 SFY2006.
- DCA in conjunction with the Statewide Independent Living Council will continue the development of 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 SFY2006 to evaluate and reduce lead-based paint hazards. As described in Part V of the Consolidated Plan, three State agencies are working to reduce lead paint hazards.

The Georgia Department of Natural Resources (DNR) has issued state regulations to implement the "Georgia Lead Poisoning Prevention Act of 1994." This law requires the certification of lead abatement contractors and establishes minimum post-abatement lead dust clearance levels. DNR will continue to certify workers, contractors and risk assessors.

The Georgia Childhood Lead Poisoning Prevention Program (GCLPPP), administered by DHR, aims to eliminate childhood lead poisoning in Georgia. DHR will continue to:

- Update and implement the statewide lead poisoning screening plan.
- Implement a statewide lead poisoning surveillance system that incorporates electronic reporting of all blood lead levels and ensures the timely dissemination of information.
- Establish policies and procedures that ensure the appropriate screening and follow-up of children at risk for lead poisoning.
- Create health education, communication, and technical assistance programs for the general public, professionals, and staff that highlight the importance of lead poisoning prevention.
- Develop multi-faceted and culturally appropriate primary prevention activities.

The Georgia Department of Community Affairs will continue to require recipients of federal HOME and CDBG funds that engage in rehabilitation activities to follow HUD regulations which require the control of lead based paint hazards and safe work practices. DCA's lead abatement and hazard control strategy will focus on identifying and reducing or abating the following hazards.

- Lead contaminated dust.
- Lead contaminated soil.
- Deteriorated lead-based paint which is chipping or flaking.
- Lead-based paint accessible to children that can be chewed.
- Lead-based paint present in friction surfaces.
- Lead-based paint present in impact surfaces.
- Lead-based paint on any surface disturbed as a result of rehabilitation activity.

The Georgia Department of Community Affairs also successfully implemented the federally funded Lead Safe Homes Demonstration Program, which ended December 30, 2002. It is anticipated that DCA will reapply for similar funds during the period covered by this Plan.

The Georgia Department of Community Affairs will also continue to serve on the Advisory Committee of the Georgia Childhood Lead Poisoning Prevention Program. Through this committee, in addition to contacts with other involved state and federal agencies, DCA will serve as a point of coordination for the integration of lead hazard reduction into housing policies and programs.

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 funding the State will make to local governments, private developers, PHA's, and nonprofit service providers will help persons and families in poverty.

DCA has set-aside \$7,000,000 in FFY2005 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 SFY2006, 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 will continue its informal efforts to work with other governmental agencies, nonprofit organizations, housing developers, financial institutions, foundations and other providers to create effective solutions to the housing and community development needs of Georgia.
- DCA will also maintain and expand its Internet web site to increase access to information on Georgia's affordable housing and community development needs and to promote the availability of its programs with its current and future partners.
- DCA will continue community-focused outreach activities through the Home-Buyer Education Grant and the Community Housing Initiative.

- 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 continue implementation of a continuum of Care Plan and established network of providers.
- DCA will continue to respond to the AIDS crisis by collaborating with Ryan White Consortiums, GA Department of Community Health, the City of Atlanta, and the Statewide HIV Prevention Program on our commitment to providing safe, decent, and affordable housing for our most vulnerable citizens living with HIV/AIDS and their families.
- DCA will continue to facilitate a proactive dialog about preventing and eliminating homelessness, the Trust Fund regularly convenes meetings of the *State Homeless Advisory Council*. The council is composed of twenty-five representatives from the homeless service provider community, local government providers, nonprofit organizations, ecumenical community and many others interested in addressing issues of homelessness. This past year the State was awarded funds from HUD for a comprehensive Homeless Management Information Systems (HMIS) initiative.
- DCA will continue collaboration with the Georgia Department of Human Resources through the Georgia Mental Health Planning Council with the goal of ending chronic homelessness and in procuring mainstream resources for homeless services.
- DCA will continue collaboration with the Collaborative Initiative to Help End Chronic Homelessness. This past year, DCA Commissioner Mike Beatty co-chaired along with DHR Commissioner B.J. Walker on the Governor's Interagency Homeless Coordination Council. Ongoing work is focused on ending chronic homelessness; policies that will eliminate discharging clients back into homeless situations; improving state agency coordination; improving access to SSI with a consideration given to presumptive eligibility; evaluation of fiscal effectiveness; effective homeless prevention policies; and coordination strategies that will best achieve the Council and the Governor's goals for ending chronic homelessness in Georgia by 2012.
- DCA will continue to participate in mainstream planning efforts throughout the State. DCA has membership on the Georgia Mental Health Planning Council. DCA also regularly attends the (supportive) Housing Forum meetings facilitated, by the Metro Atlanta Food Bank. DCA recently participated in the annual meeting of the GA State Association of Not-For-Profit Developers (G STAND). And in addition, DCA staff serves on DHR's Housing Coalition. DCA recognizes that planning and strategy necessary to address homeless cannot be confined to 'homeless' only planning processes.

- DCA will continue collaboration the Mayor's (Atlanta) Homeless Commission in an effort to address needs in the Atlanta region. Extending from this effort is the United Way's new Supportive Housing Council. This group is specifically working to establish new resources for housing chronic homeless persons in the metro Atlanta area. DCA staff also attends local homeless coalition and CoC planning meetings throughout the state.
- 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 local agencies in applying for federal funds to create programs that serve persons who are chronically homeless.
- 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 on-line, 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.
- Establish 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.
- DCA will continue to work with cities in Georgia to create "DreamCity" partnerships. The DreamCity concept is provided through the Georgia Dream Homeownership program and is a collaborative effort designed to increase affordable homeownership in Georgia's cities. DreamMacon was the first DreamCity in Georgia.

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 monitoring of all HOME-funded projects for compliance with the applicable federal regulations.

Georgia Dream Homeownership Programs (Georgia Dream Second Mortgage, PEN, CHOICE, EV, Rural Development Georgia Dream Second Mortgage:

Eligible borrowers apply for the Georgia Dream Homeownership Program loans through Participating Lenders by completing a standard mortgage application to obtain a fixed rate FHA, USDA, VA or Conventional mortgage loan. Lenders underwrite the application for credit approval based on the requirements of the Mortgage Insurer. The lender also determines if the loan is in compliance with DCA guidelines. Once the Lender completes the compliance review and credit underwriting process, approved loans are submitted to DCA for compliance underwriting approval. The DCA compliance underwriting review is performed after the Lender's credit underwriting process. If the application meets the applicable credit and compliance underwriting guidelines, DCA will issue an underwriting approval and commitment to purchase the loan from the lender. DCA purchases closed Program loans pursuant to the purchase requirements and schedule set forth in DCA's Seller Guide.

DCA's compliance underwriting decision is based on, but is not limited to, a review of the documentation in the Underwriting Package that documents satisfactory compliance with the following criteria:

- a) **Ownership Interest:** Review the Application source documentation, tax returns and applicant affidavit to document that the Applicant(s) meets the ownership interest requirements.
- b) **Income:** Ensure that the Household Annual Income meets program requirements as determined by a review of source documentation (pay stubs, awards letters, verifications of employment, liquid assets, etc.) that verifies the income of all household members over the age of 18.
- c) **Acquisition Cost:** Review the sales contract, construction cost, and Acquisition Cost Certification completed by the seller and buyer to insure that Acquisition Cost of the subject property is within the published Acquisition Cost limits for the county in which the property is located.
- d) **Purchase Only Transaction:** Review application and underwriting package to insure that funds will be used for purchase only transactions.
- e) **Recapture:** Review disclosure and acknowledgment by borrower of recapture provisions for federal and state funding.
- f) **HQS, Environmental & Property Requirements:** Review FHA appraisal and environmental checklist completed by third party appraiser to insure that property meets HQS, DCA property requirements and that there are no environmental issues.

- g) Lead Paint: Review documentation to determine if property was built prior to 1978. If it is determined that property is pre-1978, utilize non-federal funding for purchase transaction.
- h) Subsidy Layering: Review mortgage financing structure to ensure that that excessive governmental subsidies are not applied to any one purchase transaction. A disclosure of all federal, state, local or federal government funds is required on the Application Affidavit (Form SF-12) and Loan Applicant Profile (Form SF-10) which are reviewed by DCA's Compliance Underwriters.
- i) Completeness: Review documentation to insure data integrity, completion and accuracy of all DCA required forms.

CHIP Program:

Annually, DCA awards CHIP funds on a competitive basis to eligible local government applicants. To ensure initial applications are in keeping with the HOME program requirements, as well as other federal, state and local requirements, DCA sponsors an Applicants Workshop in conjunction with the small cities CDBG workshop. The requirements are also detailed in the Applicants Manual. Specifically, in regard to the CHIP program, the following requirements are covered:

- ❖ Eligible Local Government Applicants
- ❖ Eligible HOME (CHIP) Activities
- ❖ Ineligible HOME (CHIP) Activities
- ❖ Basic HOME Rules:
 - Definition of a Project
 - Form of Subsidy
 - Amount of Subsidy
 - Eligible Costs
 - The Property (Types, Value, Standards)
 - The Applicant or Beneficiary (Low Income)
 - The Long Term Affordability
- ❖ Applicability of Other Federal Requirements per HOME regulations and Other DCA Requirements
- ❖ Non Discrimination and Equal Access (fair housing, equal opportunity and handicapped accessibility)
- ❖ Employment and Contracting (equal opportunity, labor requirements, contracting and procurement)
- ❖ Environmental
- ❖ Site and Neighborhood Standards
- ❖ Lead Based Paint
- ❖ Displacement, Relocation and Acquisition
- ❖ Financial Management
- ❖ Housing (fair and equal credit laws, construction standards)
- ❖ Historic Preservation
- ❖ Citizen Participation

Following the award of funds, local government CHIP recipients are required to attend the Recipients Workshop. The CHIP Recipients Manual is presented to the recipients and the CHIP staff again provides training on the HOME program requirements listed above.

The CHIP program staff (with assistance from the Division's Compliance Manager, as needed) conduct the following monitoring reviews of local government CHIP recipients:

- a) Grant Award Review: An initial site visit review of the grant award includes: review of the general conditions and special conditions of the award; grant adjustment notices; financial management procedures; citizen participation requirements; affirmative marketing requirements; fair housing requirements; environmental review; historic preservation; written agreements; and, location of program records. Technical assistance is also provided on any special requirements of the award such as Davis Bacon or Uniform Relocation and Real Properties Acquisition Policies Act.
- b) Program Start-up Review: CHIP staff conduct an on-site start-up review to verify the local government is on target with award timelines and in compliance with program regulations. A review of the local government's program policies and procedures is also conducted. Special condition compliance, fair housing, use of manuals and forms and all required written agreement are discussed.
- c) Financial Management Review: When between 40 and 60 percent of program funds have been drawn down, DCA conducts an on-site financial management review including case file reviews, site visits to completed projects, verification of income, verification of ownership of property, owner occupancy, property type and value, property standards, loan and grant documentation, construction documentation, environmental screening, reconciliation of CHIP checking account, source documentation for all invoices and other financial management review.
- d) Close Out Review: After all project funds have been drawn, DCA conducts an on-site close-out review to monitor program and project records for compliance with HOME regulations including reconciliation of draw down records, final quarterly reporting, outstanding monitoring issues, unused funds return, administrative draws, case file reviews and record retention.
- e) On-Going Technical Assistance: The CHIP staff with assistance from the Division's Compliance Manager, as needed, conduct technical assistance as requested during the program year to local government CHIP recipients and sub-recipient administrators.
- f) Housing Workshops: The CHIP staff, in conjunction with the small cities CDBG housing staff, conduct periodic housing workshops for both CHIP and CDBG recipients.

HOME Rental Housing Loan 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.

Compliance with federal and state requirements is conducted for each project as noted below:

a) Subsidy Layering

DCA will perform subsidy-layering analysis for HOME funded projects prior to the time of preliminary commitment for projects receiving tax credits from the state's low income housing tax credit allocation. In cases where the results of a DCA subsidy layering review indicate that there would be excess assistance, DCA will reduce the amount of the HOME loan to eliminate the excess. In addition, a subsidy layering review is also conducted during HOME loan underwriting prior to the closing of the HOME loan.

b) Environmental Review

DCA requires that a Phase I be completed in accordance with DCA requirements and included in each Application for funding. Each Applicant must also complete a detailed Environmental Questionnaire before a project is considered for funding. DCA has prepared an Environmental Manual setting forth all of the requirements which must be met prior to funding of a proposed project. DCA staff also complete a HUD approved checklist after it independently reviews all of the environmental information collected for each site. Additionally, in accordance with the National Environmental Protection Act (NEPA), DCA has provided public notice and reviewed the environmental effects of proposed housing related activities throughout the state and concluded that a broad range of activities will not have an adverse effect on the environment.

c) Site and Neighborhood Standards

Projects applying for HOME funds must meet additional Site and Neighborhood Standards (24 CFR 92.202 and 24 CFR 983.6) as mandated by the HOME regulations. DCA will determine whether a project meets these standards during its Threshold Review of Applications. DCA will determine whether a project meets these standards through review of information submitted by Applicants, independent verification of project location in census tracts, independent verification of racial composition of project area by DCA staff and through an independent visual review of the area surrounding the project site by DCA staff. A detailed check list is completed by DCA staff before each project is approved for funding.

DCA will also review application documentation and perform a site visit to determine whether there are any conditions present which may be seriously detrimental to family life.

A determination will be made as to whether any of these undesirable conditions predominate in the neighborhood. If DCA determines that there are undesirable conditions present (substandard dwellings, abandoned buildings), it will look to determine whether there is evidence of a concerted program to remedy these conditions.

d) Labor Standards

If HOME funds are provided (whether for construction or non-construction expenses) to projects involving the construction of affordable housing consisting of 12 or more HOME units, then the contract relating to the new construction or rehabilitation must comply with the following labor standards:

- Davis-Bacon Act, 40 U.S.C. 276(a)-5
- Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-332
- Copeland “Anti Kickback” Act, 40 U.S.C. 276(c) 1982.
- All applicable regulations and HUD Handbook #1344.1

Each developer/owner is required to attend a pre-construction conference. During this conference, DCA’s Compliance Manager will distribute applicable forms and instructions relating to labor standards.

e) Affirmative Marketing

Affirmative Marketing is required when HOME-assisted housing contains five or more units. If applicable, owners of HOME-assisted housing must adopt and conduct affirmative marketing procedures and requirements which provide information and otherwise attract eligible persons. DCA will monitor and annually assess the affirmative marketing efforts conducted by owners in compliance with this requirement.

f) Uniform Relocation Act

Uniform Relocation Act information is reviewed by DCA staff at the time of application. Each project's compliance with relocation requirements is also monitored throughout the construction process and through lease-up by reviewing rent rolls, relocation plans and budgets and by visiting the sites. A relocation guide has been prepared by HFD for use by the applicant. This guide contains policies, procedures and forms for use in complying with all Federal and State requirements.

Voluntary acquisitions are also subject to the requirements outlined at 49 CFR 24.101, as outlined in HUD's implementing instructions found in Chapter 5 of Handbook 1378. DCA reviews all sales contracts as well as supporting documentation at the time of application to ensure that all requirements have been satisfied and that the acquisition of the project is "voluntary" according to HUD's standards.

g) Fair Housing, Equal Opportunity and Accessibility Laws

HOME recipients must comply with any and all federal, state and local laws relating to fair housing and equal opportunity, including but not limited to those listed below:

- ❖ Minority Business Enterprise Executive Orders 11625, 12432, and 12138
- ❖ The Federal Fair Housing Act (42 U.S.C. §3601 et seq. (1968))
- ❖ The Georgia Fair Housing Act (O.C.G.A. §8-3-200 et seq., (1992 Supp.))
- ❖ Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.)
- ❖ Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794)
- ❖ Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. §12116 et seq.)
- ❖ Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §171U et seq.)
- ❖ Executive Order 11063
- ❖ Title VI Civil Rights Act - 1964 (42 U.S.C. 2000d)

DCA staff reviews each project for compliance with each of these statutes. Each project is reviewed both during the planning stage and during construction to ensure that all applicable accessibility requirements are met.

h) Rent and Income

HOME Certification Training is offered by DCA at least bi-annually and more often if needed. The training is designed for the on-site property staff and covers rent restrictions, income limits and physical requirements. A representative from each property must have attended and successfully completed the certification testing prior to beginning of lease-up.

In addition to the HOME Certification Training, each property is visited by the HFD during lease-up. Randomly selected tenant files and policies and procedures are reviewed during this visit. If needed, additional training is offered.

Each HOME property is inspected once a year during the Period of Affordability and files are reviewed for compliance with the HOME regulations and any additional State requirements.

In addition to the requirements above, the Owner of each property is required to complete the Georgia HOME Annual Owner Certification each year. By completing the document, the owner is certifying that the subject property has complied with all appropriate Federal and State Regulations.

Permanent Supportive Housing, Rural Rental Housing Development Fund & Single Family Development Programs:

The State has developed and implemented compliance monitoring procedures to ensure proper implementation of all HOME regulations. The compliance responsibilities begin with the award of the HOME funding and will continue through the end of the Compliance Period, the Period of Affordability, or the term of the HOME Loan, whichever is longer.

DCA will monitor the property for compliance with all Applicable HOME regulations prior to loan closing, during construction/rehabilitation, and throughout the period of affordability. At the pre-construction conference, the owner will receive a complete package of HOME compliance materials and information on training opportunities. Prior to lease up, the owner will be required to attend a DCA Compliance workshop that will cover lease-up regulations and compliance requirements throughout the period of affordability. Each HOME funded rental property is inspected once a year during the Period of Affordability and files are reviewed for compliance with the HOME regulations and any additional State requirements.

Per instructions provided in the applicable Application and Operations Manual, all applicants must provide detailed information in their application as to how they will ensure that they comply with federal regulations. Prior to the signing of a loan agreement compliance staff will review all approved applications to ensure compliance.

HOME loans provided to applicants to the Permanent Supportive Housing and the Rural Rental Housing Development Fund programs are subject to compliance with all of the following requirements. Applicants seeking funding under the Single Family Development program are subject to all of the following requirements except for federal labor standards and rent limits. Also, Single Family Development program applicants are not required to attend pre-construction conferences if less than twelve HOME funded units are proposed.

- a) Environmental Review: The State requires site-specific environmental assessment for all development proposals being considered for funding with HOME funds. At a minimum, DCA requires a Phase I Environmental Site Assessment in accordance with standards developed by the American Society for Testing and Materials (ASTM). In addition, DCA also requires that the Phase I address, asbestos, mold, lead-based paint, lead in drinking water, radon, PCBs, floodplains and wetlands. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.

- b) Site and Neighborhood Standards: DCA requires all applicants who will be constructing new rental housing units to comply with the site and neighborhood standards of 24 CFR 983.6(b). Applicants must provide detailed information regarding the proposed project site and must complete a site and neighborhood standards certification for review. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.
- c) Uniform Relocation Act: DCA requires that all Applicants which propose a project funded with a HOME loan must ensure that all reasonable steps are taken to minimize the temporary and permanent displacement of persons (families, individuals, businesses, nonprofit organizations) as a result of the construction or rehabilitation of a project. Compliance staff reviews the submitted documents and either approves or rejects the documents as submitted. A detailed checklist is used to ensure review uniformity. The checklist is compared to the appropriate HOME rules. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.
- d) Federal Labor Standards: For HOME funded projects involving the construction of affordable housing consisting of 12 or more units, DCA requires that the contract relating to new construction or rehabilitation must comply with the following labor standards:
- Davis- Bacon Act, 40 U.S.C. 276(a)-5
 - Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-332
 - Copeland “Anti Kickback” Act, 40 U.S.C 276(c) 1982
 - All applicable regulations and HUD Handbook #1344.1

Prior to loan closing, DCA conducts a pre-construction conference to discuss all of the required federal labor standards, issue wage decisions, provide information on Section 3 reporting requirements, provide information on MBE/WBE reporting requirements, and to provide Labor Standards and OSHA safety standards posters. Owners and contractors are also notified that compliance staff will visit the site to ensure compliance.

- e) Affirmative Fair Housing Marketing Plan: All applicants seeking HOME funding must develop and submit to DCA a written affirmative marketing plan. Using a form provided by DCA, the applicant is required to document its Plan and assemble related documentation. Once the Plan has been approved by DCA, the applicant must keep the Plan on the central office premises, along with a copy of the federal and state Fair Housing Act, both of which must be available for review by the general public. Applicants are notified by phone or mail of deficiencies and are given a reasonable time to make corrections.

- f) Subsidy Layering: Before committing HOME funds to a project, DCA will review the sources/uses of funds statement, commitment letters, partnership agreements, formal application, pro forma, plans, specifications cost estimates and any other documentation submitted by the applicant that DCA deems pertinent. A review is conducted to ensure that the appropriate level of HOME and DCA funding levels are not exceeded. A detailed Loan Memorandum and Financial Analysis is prepared that accounts for each required review document. Once the review has been completed, an evaluation form shall be documented and placed in the project file.
- g) Rent and Occupancy Requirements: The HOME program establishes rent and occupancy requirements for all units assisted with HOME funds. The HOME program requires that each building in a HOME-assisted project contain housing that meets the applicable HOME rent and occupancy requirements throughout the affordability period. Applicants are provided detailed information on income eligibility and determining the maximum rent that can be charged to a tenant for HOME-assisted units. During application review, DCA will verify that rents submitted do not exceed the maximum rent limits and that the applicant has included provisions in the application regarding the potential tenant's income. Incorrect rent amounts will be adjusted by DCA and the actual project rent limits will be written into the Land Use Restriction Agreement which will be recorded at the closing of the HOME loan. At the time of lease up, DCA will verify that units were rented to income eligible tenants.
- i) Fair Housing, Equal Opportunity and Accessibility Laws

HOME recipients must comply with any and all federal, state and local laws relating to fair housing and equal opportunity, including but not limited to those listed below:

- ❖ Minority Business Enterprise Executive Orders 11625, 12432, and 12138
- ❖ The Federal Fair Housing Act (42 U.S.C. §3601 et seq. (1968))
- ❖ The Georgia Fair Housing Act (O.C.G.A. §8-3-200 et seq., (1992 Supp.))
- ❖ Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.)
- ❖ Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794)
- ❖ Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. §12116 et seq.)
- ❖ Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §171U et seq.)
- ❖ Executive Order 11063
- ❖ Title VI Civil Rights Act - 1964 (42 U.S.C. 2000d)

DCA staff reviews each project for compliance with each of these statutes. Each project is reviewed both during the planning stage and during construction to ensure that all applicable accessibility requirements are met.

EMERGENCY SHELTER GRANT (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. Among other items, the monitoring visit reviews such areas as financial record systems, program benefits, and other program rules. The State also provides written certifications to HUD regarding compliance of each project with appropriate environmental regulations, and all grantees must conform to the HUD rule for verifying homelessness.

In addition, program monitoring of the ESG Program will include on-site visits to each Grantee once every three years or more often as deemed necessary by the State based on application, reimbursement or reporting submissions. Grantees receiving an allocation for the first time must be monitored with an on-site visit before funds are drawn for current contract year. Grantees are notified in advance of all on-site monitoring visits, but DCA personnel may not be 'steered' by subgrantees in random sampling of case files, etc. After each monitoring visit is complete, DCA sends each Grantee an exit monitoring report. Project accomplishments, areas of deficiencies and technical assistance needs are highlighted in this report, which serves to confirm issues discussed during the on-site monitoring review process and to give grantees advance notice of deficient areas requiring attention.

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. Grantees receiving Housing Opportunities for Persons With AIDS (HOPWA) funding, will receive an on-site monitoring visit each contract year. After each monitoring visit is complete, DCA will send each HOPWA Grantee an exit monitoring report. Project accomplishments, areas of deficiencies and technical assistance needs are highlighted in this report, which serves to confirm issues discussed during the on-site monitoring review process and to give grantees advance notice of deficient areas requiring attention.

DCA relies upon thorough application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at DCA to test compliance. On-site monitoring, therefore, is largely limited to eligibility of beneficiaries and a comparison of program records with the programmatic claims of the applicant. 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.

2006 resident board

**Kathryn Walker
7101 Strickland St Apt.202
Douglasville, GA 30134**

**Kristie Walker
103 Hunter Place
Villa Rica, GA 30180**

**Lula Butler
140 Hollow Ridge
Athens, GA 30607**

**Zalerie Harris
170 Sarsen Circle
Bogart, GA 30622**

**Paul Corriea
507 Murray Lane
Thomson, Ga. 30824**

**Olivia Johnson
206 Northlake Dr., Apt. 1905
Warner Robins, Ga. 31093**

**Lesabre Thomas
1213 Towering Pines
Albany, Ga. 31105-2302**

**Mamie Oates
2309 Hubert Street
Albany, Ga. 31705**

**Robin Rice
901 Rhett Road
Valdosta, Ga. 31601**

**Janelle Groover
1415 N. St. Augustine Rd.
Apt. F-28
Valdosta, Ga. 31602**

NOTICE OF PUBLIC HEARING TO SOLICIT INPUT IN THE HOUSING CHOICE
VOUCHER PROGRAM
ANNUAL PLAN FOR SFY 2006

The Georgia Department of Community Affairs (DCA), in compliance with applicable U.S. Department of Housing and Urban Development (HUD) regulations established by the Quality Housing and Work Responsibility Act of 1998, is updating the Annual Plan SFY2006 as a prerequisite to receiving federal funds for the Housing Choice Voucher Program. The Five Year Plan describes DCA's mission over the next five years and DCA's long term goals and objectives for achieving DCA's mission over the next five years. The Annual Plan provides detail about DCA's immediate operations, program participants, programs, services, and addresses the needs of the communities we serve for the upcoming fiscal year.

A key component in the successful development of the Plan is the public input and direction provided by the citizens of Georgia. The Department of Community Affairs has scheduled a public hearing on Friday March 24, 2006 to solicit this input on the Housing Choice Voucher Program's Five Year Plan and Annual Plan at 60 Executive Park South, N.E., Atlanta, GA 30329-2231 at 10:00 a.m. in Conference room 137.

In addition the 60 Executive Park location the Housing Choice Voucher Program's Five Year Plan and Annual Plan are on display at the following:

Albany Regional Office
121 North Front Street
Albany, GA 31702
229-430-4384

Athens Regional Office
485 Newton Bridge Road, Suite 2
Athens, GA 30607-1169
706-369-5636

Carrollton Regional Office
185 Parkwood Circle
Carrollton, GA 30117-0609
770-838-2600

Eastman Regional Office
21 Industrial Blvd
Eastman, GA 31023
478-374-6962

Waycross Regional Office
960-A City Boulevard
Waycross, GA 31501-4239
912-285-6280

All interested parties are encouraged to attend and participate in this process. For further information or directions to the facility, please contact the Georgia Department of Community Affairs Rental Assistance Department at (404) 679-4840 or toll-free at (800) 359-4663. TDD phone users may call (404) 679-4915 or (800) 736-1155.

Albany Regional Office
121 N. Front Street
Albany, GA 31702-1248
229-430-4117

Eastman Regional Office
21 Industrial Blvd
Eastman, GA 31023
912-374-6962

Athens Regional Office
485 Newton Bridge Road, Suite 2
Athens, GA 30607-1169
706-369-5636

Waycross Regional Office
960-A City Boulevard
Waycross, GA 31501-4239
912-285-6280

Carrollton Regional Office
185 Parkwood Circle
Carrollton, GA 30117-0609
770-838-2600

Dear Resident Advisory Board Member:

As a participant of the Housing Choice Voucher Program Advisory Board, I would like to update you on the projects the Department of Community Affairs (DCA) Housing Choice Voucher Program has been working on in this past year. The Department has been busy finding ways to expand housing opportunities throughout the State of Georgia while keeping within the reduced budget set by Congress.

The Department has continued its association with the Department of Human Resources (DHR) that will enable eligible, disabled families to participate in the Housing Choice Voucher Program. In addition, we are administering 75 Mainstream vouchers to assist families with disabilities and have requested the ability to administer additional vouchers made available by HUD.

It is now the time of year when we ask for your help in the types of program or policies you would like the Department of Community Affairs to incorporate. Your participation is necessary for continued success of the statewide Housing Choice Voucher Program Rental Assistance Program.

You can access our current Administrative plan on the internet at www.dca.state.ga.us Please send any comments on this Plan to our Atlanta Office by March 24, 2006. If you have any questions or concerns, you may speak with me at (404) 679-4840 or (800) 359-4663. Thank you for your participation.

Sincerely,

Michael Timm
Program Director

**RESOLUTION BY THE BOARD OF THE
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS**

**ADOPTING AN ANNUAL PLAN FOR
THE HOUSING CHOICE VOUCHER PROGRAM**

WHEREAS, Congress did enact the Quality Housing and Work Responsibility Act of 1998 that requires that the DCA adopt an Annual Plan for fiscal year 2006 to continue receiving funding for the Housing Choice Voucher Program; and

WHEREAS, the Housing Choice Voucher Program has followed the requirements prescribed by HUD in relation to the Quality Housing and Work Responsibility Act of 1998. Such requirements included the creation of a Tenant Advisory Board, preparation of a draft plan 45 days in advance for public review and conducting an open public meeting which was held on March 24, 2006 for public comment.

NOW THEREFORE, LET IT BE RESOLVED AS FOLLOWS:

1. The Board of the Georgia Department of Community Affairs does adopt the Annual Plan at the April 5, 2006 Board Meeting for the Housing Choice Voucher Rental Assistance Program. A summary copy of the Plan is attached as "PHA Certifications of Compliance with the PHA plans and related regulations: Board Resolution to Accompany the Streamlined Annual PHA Plan."
2. The Chairman, Vice Chairman or Secretary may execute this Resolution.

This Resolution is hereby adopted this 5th day of April 2006.

By: _____
Alva J. Hopkins, III
Secretary

A Public Hearing will be held today, **Friday, March 24, 2006** at the Department of Community Affairs for the Housing Choice Voucher Program. The purpose of this hearing is to be in compliance with applicable U.S. Department of Housing and Urban Development (HUD) regulations established by the Quality Housing and Work Responsibility Act of 1998. The DCA is updating Annual Plan FY2006 as a prerequisite to receiving federal funds for the Housing Choice Voucher Program. The Annual Plan provides detail about DCA's immediate operations, program participants, programs, services, and addresses the needs of the communities we serve for the upcoming fiscal year.

My name is **Brandie Garner** and I am here as a representative from DCAs Rental Assistance Program.

I would like to give a brief description of the Housing Choice Voucher Program for those who may not be very familiar with the program. The Housing Choice Voucher Program is a tenant-based assistance program that assists extremely low and very low-income individuals and families rent safe, decent, and sanitary dwelling units in the private rental market. The program was created by the Housing and Community Development Act of 1974 and is funded by the United States Department of Housing and Urban Development (HUD).

The goals of the Housing Choice Voucher Program are to:

- Provide improved living conditions for low income persons while maintaining their rent payments at an affordable level

- Promote freedom of housing choice

- Provide decent, safe, and sanitary housing for eligible participants; and

- Provide an incentive to private property owners to rent to lower income persons by offering timely subsidy assistance payments.

The Department of Community Affairs provides the subsidy payment directly to the landlord on behalf of the program participant. The amount of the subsidy is based primarily upon the participant's income. This program is administered by DCA in 149 of Georgia's 159 counties by five regional offices located around the State. The regional offices are located in Albany, Athens, Carrollton, Eastman and Waycross. The remaining 10 counties are served by their local housing authority.

The Housing Choice Voucher Program is funded totally by federal funds from the U.S. Department of Housing and Urban Development. No State appropriations are used in the administration of this program. Currently, the Program serves over 15,000 Georgia families and processes over 8,000 rental assistance checks per month. Through the participation of tenants and landlords in this program, over \$101.00 million dollars in federal funds are added to Georgia's economy each year.

The implementation process for the Housing Choice Voucher Program operates by providing direct subsidy rent payments to qualified landlords for tenants participating in the Program. The participant contributes approximately 30 percent of the family's adjusted income toward their portion of the rental payment. The landlord's subsidy is provided monthly by the Department of Community Affairs and normally consists of the difference between the gross rent, which includes an allowance for tenant paid utilities, and 30 percent of the tenant's adjusted income.

All units are inspected by the Department of Community Affairs to ensure that they meet with the minimum standards that are outlined by the federal government called Housing Quality Standards.

DCAs five year plan outlines our long term goal which is to apply for additional rental vouchers so we can increase the number of Georgia's low income households who can obtain affordable rental housing free of overcrowded and structurally substandard conditions.

DCAs one year plan goal is to maintain our allocated subsidies at a 99% or more lease up rate and to achieve a 99% lease up rate for our Welfare to Work program.

Now that I have given a brief description of the Housing Choice Voucher Program, I would like to outline the purpose of this hearing. This hearing is being held to take any questions related to these plans. The plan with all the supporting documents has been on display for public review from **Michael Timm** at this office and the Five Year Plan and Annual Plan were on display for public review at our 5 regional offices. In addition you may view the plan on our website www.dca.state.ga.us

According to regulation, DCA did convene a Resident Advisory Board. There are two members representing each regional office for a total of ten members. No comments were received from the Resident Advisory Board nor were there any comments from the general public.

At this time I will take any questions:

If there are no further questions, I will call a close to this hearing at