

***STATE OF GEORGIA
CONSOLIDATED PLAN ANNUAL PERFORMANCE
REPORT
(Excerpts Illustrating CDBG and CHIP
Performance)***

JULY 1, 2007 - JUNE 30, 2008

***Sonny Perdue
Governor***

Prepared By:

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- During SFY2008, 105 CDBG grants totaling \$43,203,202 were awarded to units of local government (State of Georgia Consolidated Plan Annual Performance Report, September 2008, Page 11)

- Table 4: Geographic Distribution of Units/Grants/Loans (Ibid, Page 20)

<u>Program</u>	<u>Urban</u>		<u>Rural</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
HOME – Total	1,171 units	70%	496 units	30%
	1 loans	20%	4 loans	80%
Georgia Dream Second Mortgage (*)	283 units	79%	77 units	21%
Georgia Dream: Rural Development	16 units	38%	26 units	62%
Georgia Dream: HONORS	0 units	0%	0 units	0%
Georgia Dream: Welcome Home	2 units	67%	1 unit	33%
Georgia Dream: Choice	66 units	61%	43 units	39%
Georgia Dream: EV	0 units	0%	1 unit	100%
Georgia Dream: PEN	180 units	81%	42 units	19%
Georgia Dream: Homeownership Voucher	0 units	0%	0 units	0%
Georgia Dream: Signature Community	1 unit	33%	2 units	67%
Georgia Dream Single Family Development	1 unit	14%	6 units	86%
HOME Rental Housing Loan	456 units	75%	155 units	25%
HOME Rental Preservation Loan	0 units	0%	0 units	0%
Permanent Supportive Housing Loan	28 units	100%	0 units	0%
Rural Rental Housing Development Fund	0 units	0%	0 units	0%
HOME CHDO Predevelopment Loan	1 loan	20%	4 loans	80%
HOME CHDO Operating Assistance	1 grant	100%	0 grants	0%
CHIP	165 units¹	54%	143 units	46%
CDBG	30 grants	29%	75 grants	71%
ESG	29 grants	60%	19 grants	40%
HOPWA	7 grants	78%	2 grants	22%

* represents the Traditional Georgia Dream Second Mortgage Program

¹ Note CHIP generally receives less than 10% of the annual HOME allocation made available to DCA

- Table 5: Geographic Distribution of Funding (Ibid, Page 21)

<u>Program</u>	<u>Urban</u>		<u>Rural</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
HOME – Total	\$13,909,087	60%	\$9,312,669	40%
Georgia Dream Second Mortgage (*)	\$1,415,000	79%	\$385,000	21%
Georgia Dream: Rural Development	\$160,000	38%	\$260,000	62%
Georgia Dream: Welcome Home	\$20,000	67%	\$10,000	33%
Georgia Dream: HONORS	\$0	0%	\$0	0%
Georgia Dream: Choice	\$955,000	60%	\$650,000	40%
Georgia Dream: EV	\$0	0%	\$7,500	100%
Georgia Dream: PEN	\$1,350,000	81%	\$315,000	19%
Georgia Dream: Homeownership Voucher	\$0	0%	\$0	0%
Georgia Dream: Signature Community	\$7,500	33%	\$15,000	67%
Georgia Dream Single Family Development Program	\$19,234	14%	\$114,804	86%
HOME Rental Housing Loan	\$5,463,000	52%	\$5,106,698	48%
HOME Rental Preservation Loan	\$0	0%	\$0	0%
Permanent Supportive Housing Loan	\$2,899,556	100%	\$0	0%
Rural Rental Housing Development Fund	\$0	0%	\$0	0%
HOME CHDO Predevelopment Loan	\$30,000	20%	\$120,000	80%
HOME CHDO Operating Assistance	\$25,000	100%	\$0	0%
CHIP	\$1,564,797	40%	\$2,328,667	60%
CDBG	\$13,163,202	30%	\$30,040,000	70%
ESG	\$4,326,100	96%	\$180,300	4%
HOPWA	\$1,069,000	81%	\$247,000	19%

* represents the Traditional Georgia Dream Second Mortgage Program

- Leverage (Ibid, Page 23)

CDBG: For the annual CDBG competition, DCA 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% for amounts from \$301,000 to \$500,000, and
- 10% of amounts from \$500,001 to \$800,000 in CDBG funds.

Note that the EIP, Immediate Threat and Danger, and Redevelopment Fund CDBG set-asides do not require a match. During FFY2007, \$632,674 in local CDBG cash match was provided by local units of government that received CDBG funds. In addition, all competitive 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, grants or local government cash and in-kind contributions. The FFY2007 CDBG competition leveraged \$18,342,811 in additional private and public resources.

- SFY2008 Investment and Assistance by HUD Funded Program: (Ibid, Page 30)

<u>Program</u>	<u>Investment</u>	<u>Assistance</u>
Georgia Dream Second Mortgage (*)	\$1,800,000	360 households
Georgia Dream: Rural Development	\$420,000	42 households
Georgia Dream: Choice	\$1,605,000	109 households
Georgia Dream: PEN	\$1,665,000	222 households
Georgia Dream: EV	\$7,500	1 household
Georgia Dream: HONORS	\$0	0 households
Georgia Dream: Homeownership Voucher	\$0	0 households
Georgia Dream: Signature Community	\$22,500	3 households
Georgia Dream: Welcome Home	\$30,000	3 households
Georgia Dream Program Single Family Development	\$134,038	7 households
CHIP	\$1,087,507	232 households
CDBG	\$1,038,035	43 households
HUD Counseling Grant	\$391,453 awarded to Agencies providing home buyer education and counseling Agencies and	7,556 individuals assisted

* This figure represents the Traditional Georgia Dream Second Mortgage Program

- Table 10: Analysis of CDBG Annual Competition for Program Year 2007 (7/1/07 - 6/30/08) (Ibid, Page 39)

Type of Projects	Projects	Award	People	LM People	LM %	Units
Multi Activity	2	\$1,600,000	138	127	92%	5
Housing Improvements	5	\$2,488,102	177	177	100%	85
Public Facilities:						
Neighborhood Buildings	3	\$1,337,008	486	467	96%	
Drainage and Streets	14	\$6,188,683	1,562	1,369	88%	
Health Center	3	\$1,500,000	17,251	16,854	98%	
Learning Center	1	\$500,000	160	155	97%	
Mental Health Center	4	\$2,000,000	404	395	98%	
Multi Infrastructure	9	\$4,028,908	1,101	966	88%	
Senior Center	2	\$999,775	907	907	100%	
Sewer Improvements	13	\$6,482,613	3,548	3,325	94%	
Water Improvements	8	\$3,626,462	6,865	5,735	84%	
Water and Sewer Improvements	7	\$3,496,694	1,857	1,585	85%	

- **Jobs Made Available To But Not Taken by Low and Moderate-income Persons**
(Ibid, Page 41)

All jobs created by CDBG economic development activities are made available to low and moderate-income persons, but not all jobs are taken by low and moderate-income persons. Data included in the PER indicates that overall nearly 76% of jobs created were taken by low and moderate-income persons. All businesses assisted with CDBG funds must sign a contract that a minimum of 51% of jobs created will be filled by low and moderate-income persons or funds must be repaid to the State. DCA and the assisted businesses work with a number of other programs, such as the Georgia Department of Labor, to ensure this goal is met.

- **Evaluation of Progress in Meeting Georgia's Community Development Objective**
(Ibid, Page 102)

The primary long-term objective of the State of Georgia's CDBG Program, as stated in the FFY2007 Consolidated Plan, is *to develop viable communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for low income and moderate-income persons.*

In general, our evaluation is that the State is making significant progress in meeting this objective. This conclusion is based on the number and type of grants awarded and the numbers of persons benefiting from these projects.

During the program year covered by this report, 105 awards to local units of government were made with CDBG funds. Table 10: Analysis of CDBG Awards & Accomplishments for Program Year 2007 (7/1/07 – 6/30/08) presents the number of persons benefiting from these CDBG funds, currently and previously awarded. Included are all CDBG funding categories, including the Annual Competition, Redevelopment Fund, Immediate Threat and danger Program, and Employment Incentive program. More than 90% of the persons benefiting are low and moderate-income persons.

One major challenge in meeting the objective is the reduction in the amount of CDBG funds available to the State through Congressional appropriations. At the national level, the appropriations have declined every year since 2003. Since 2003, Georgia's share of these funds has declined from \$48,000,000 to approximately \$40,000,000. The steady increase in construction costs, especially since the Katrina disaster, has adversely influenced the effective "buying power" of the funds available.

- **Community HOME Investment Program (CHIP)** (Ibid, Page 9)

This program offered funds to local governments for implementation of any approved, HOME eligible housing activity; except tenant based rental assistance. CHIP funds can only be used for activities that result in the production, acquisition, or rehabilitation of decent, safe, and sanitary single-family and rental housing units. Funds were made available in conjunction with DCA's CDBG program to enable communities to have

access to funds for both housing and community development activities. Eligible CHIP applicants include those units of general purpose local government who have not been designated by HUD as a Participating Jurisdiction for the HOME program. During SFY2008, funds were competitively awarded to non-entitlement local governments across Georgia. Twenty-eight local governments in Georgia were awarded \$7,509,259 in project funding and \$335,474 in administrative funding to implement local housing programs in their communities. This program completed 308 affordable housing units in these and other previously funded communities, totaling \$3,893,464 in funds during SFY2008. Of this amount, 232 new home buyer units were assisted using \$2,065,400 in funding and the remaining 76 units used \$1,828,064 for the rehabilitation and reconstruction of private properties, acquisition and for housing construction.