



## *Georgia's Community Development Block Grant Program*

| Locally Driven | CDBG | Benefit to Low- and Moderate-Income | Private Partners | CDBG | Private Leverage | New Industries | Seizing Opportunity | Local Infrastructure | CDBG | Regional Cooperation | New Housing | CDBG | Collaboration | Innovation | New Jobs | CDBG | Family Services | Rehabilitation | Redevelopment | Clearance of Blight | Elderly Service Facilities | Rural Communities | CDBG | Quality of Life | CDBG | Revitalization |

Georgia's CDBG Program represents Federalism at Work – Since the Reagan Administration affirmed the concept of Federalism and gave States the responsibility for administering Non-Entitlement CDBG, the program has met President Bush's goals of leveraging "economic development, providing robust job opportunities and creating livable communities" for low- and moderate-income families.

Because the Georgia CDBG program relies on local governments to identify local needs and initiate local solutions, the program sacrifices some ability to track nationwide data on results. However, local control routinely demonstrates innovative, locally driven public-private solutions that could never even be imagined by federal analysts using 1960s' style, centralized, top-down managed programs. An abandonment of Federalism and return to a top down "Washington Knows Best" mode of community development policy would harm Georgia's rural and low- and moderate-income communities who are now using CDBG to initiate successful local partnerships.

While Georgia's rural communities continue to suffer from declines in traditional industries and face difficulties in arranging the resources to develop and attract the new economic engines of the 21<sup>st</sup> century, these communities' tenacity and innovation point the way towards successful concepts that can be cultivated and expanded.

As outlined in the examples that follow, the State CDBG Program is playing a pivotal role in providing the seed capital and leveraging of private funds needed for these communities to create and implement their own local solutions.



Groundbreaking for a Boys & Girls Club Facility Partially Funded by State CDBG

*"The nature of our constitutional system encourages a healthy diversity in the public policies adopted by the people of the several States according to their own conditions, needs, and desires. In the search for enlightened public policy, individual States and communities are free to experiment with a variety of approaches to public issues."*

– Ronald Reagan, Executive Order 12612, 1987.



Formerly Eligible for CDBG – Now at Work

## Georgia's State CDBG Program

*Partnering with rural and low- and moderate-income communities to provide innovative ways to replace jobs lost from the decline of traditional industries*



Langboard's Atkinson County Mill – Rail spur is at top of photograph

Atkinson County, Georgia and the City of Willacoochee suffer from all of the ills wrought by globalization and economic restructuring. The traditional timber, family farming, and garment industries are much diminished or have disappeared. Because of the lessened economic activity, railroads that once served the area had either pulled up their rail or abandoned their service to the area.

During the City's struggle to redevelop, the Department of Community Affairs (DCA), Georgia's state agency for CDBG administration, received an unusual question-- could we assist Willacoochee in purchasing and renovating an abandoned railroad for use by a new company that would invest millions of dollars into a new, "engineered wood" mill that would create over 100 high-quality jobs?

DCA's team quickly provided the detailed technical assistance the City needed to provide the rail through an intergovernmental agreement and lease with the local development authority. The agreement allowed the local leaders to meet the Company's needs for rail service and also allowed the City to meet Georgia's strict constitutional restrictions for local government assistance to private businesses.

Five hundred thousand dollars in CDBG funding and several hundred thousand dollars from the Company went to purchase and rehabilitate the rail spur. The City's innovative intergovernmental agreement with the development authority allowed the public CDBG dollars and the private dollars to be combined to complete the rail spur financing. Upon the confirmation of the spur's availability, Langboard moved forward with a \$76 million investment into a new automated mill that has created over 135 high-quality jobs. The facility has also expanded the regional market for the area's timber and generated additional rail traffic that supports the small, independent company now operating the railroad in the rural area.

*Since 1992, the State CDBG Program has funded 190 similar projects where the installation of "commercial and industrial infrastructure" initiated economic development in Georgia's rural, non-entitlement local governments.*

<b>IDIS Code</b>	<b>CDBG Activity</b>	<b># Projects</b>	<b>Jobs Created</b>	<b>% Benefit to Low-Mod Persons</b>
17B-00	Economic Development - Industrial Infrastructure and Improvements	190	19,665	77%

# Georgia's State CDBG Program

*Partnering with rural communities by combining CDBG and HOME dollars to revitalize low-income neighborhoods and stimulate new private investment in housing*



Same parcel of land before and after its redevelopment

In 1996, the City of Fitzgerald initiated a unique neighborhood revitalization program using the Georgia CDBG and HOME programs to forge collaborative partnerships that have produced outstanding new housing successes for low- and moderate-income neighborhoods. Local churches and civic and neighborhood groups joined with local banks, developers, and realtors to redevelop 170 parcels, build seven new subdivisions, and construct 60 rental units using DCA's low-income housing tax credit program. Boosting the tax base by millions of dollars, payrolls have risen, and commercial activity is up in the entire community of 10,000 people.

The State CDBG Program in conjunction with the Georgia Redevelopment Law (O.C.G.A. 36-61) is the major component of these successful initiatives. The City used CDBG funds to purchase blighted properties, clear or rehabilitate the dilapidated structures, re-plot the lots, and then sell the units to the low-income families. Families finance their new homes with private mortgages from a consortium of local banks. In most instances, the HOME program provides down-payment assistance and leverages significant private sector investment.

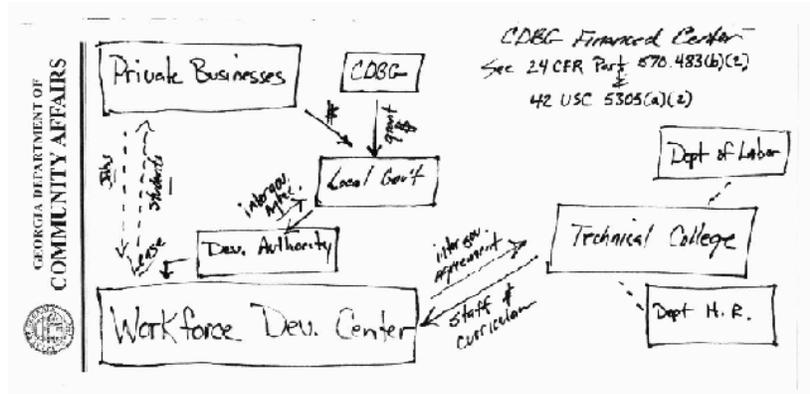
These successful collaborative partnerships are the basis for a renewed State emphasis on revitalization programs that will accelerate a new era of partnerships with local governments, private lenders, and non-profit facilitators.

*The State CDBG Program has financed hundreds of similar investments for projects where CDBG funds infrastructure, acquisition, clearance, and disposition activities while HOME finances down-payment assistance to leverage local bank mortgages. The success of these CDBG projects is the basis for Georgia's new Opportunity Zone Tax Credit Program [O.C.G.A. 8-7-40.1(c)4] and parallel State CDBG "Revitalization Area" Initiative.*

<b>IDIS Codes</b>	<b>CDBG Activities</b>	<b># Projects</b>	<b>Persons Assisted</b>	<b>% Benefit to Low-Mod Persons</b>
04, 14A, 14C	Acquisition, Clearance, Disposition and/or Rehabilitation	160	14,280	95%

# Georgia's State CDBG Program

*Partnering with rural businesses through local governments to support local and regional workforce development initiatives*



The citizens in Adel, Georgia took collaboration to the next level after 90 businesses contributed over \$400,000 towards the workforce center's construction.

The City of Adel and Cook County realized that in order to move their economic restructuring forward they needed to address local workforce development needs. They also know how to take a DCA concept, flesh out the idea, and run with it.

The local community designed a program that combined CDBG funds with local funds to finance their proposed center through an innovative collaborative partnership that included Valdosta Technical College, who brought their relationship with the Department of Labor and its Workforce Investment Act programs to the area.

When the CDBG application was submitted, DCA staff was particularly impressed that the collaborative partnership was wide and diverse. But what impressed them most was that the project application contained support letters from over 90 local businesses that contributed over \$400,000 towards the facility's construction and promised to make employment opportunities available to the graduates. Such local initiative represents Federalism at its best.

Needless to say, the project was competitive and resulted in an award of \$500,000 in CDBG funds that leveraged over \$1.4 million in local funds and contributions.

*Since 1992, the State CDBG Program has funded 20 similar projects that assist with workforce development, literacy training, or facilitate language training for Georgia's low- and moderate-income Hispanic population.*

IDIS Code	CDBG Activity	# Projects	Persons Trained	% Benefit to Low-Mod Persons
05H	Workforce Development	20	8,773	81%

# Georgia's State CDBG Program

*Assisting local governments to improve the livability of poor neighborhoods by alleviating threats to public health and safety*



As just one example out of 871 projects, CDBG funds provided drainage infrastructure and street improvements in the City of Gordon where flood waters were literally flowing through houses after heavy rains. Homeowners who made hard-earned investments to improve their homes are sheltered from the poor drainage and flooding that previously destroyed their investments. Now, past and future investments will provide shelter for the residents for many more years to come.

Though not a housing project per se, the CDBG-funded work will preserve the quality of housing in the former flood-prone area. One hundred fifteen people, 76 percent of whom are low- to moderate-income, are benefiting from much-needed improvements in this small community of 2,152 people.

The City is an active partner in this endeavor with a successful water and sewer system that is in good working condition and that operates within capacity. Yet the City needed assistance with its one remaining serious infrastructure problem. Before the work, residents commented that water flooded entire yards and stood for days at a time. Through the CDBG program, the residents of College Street in Gordon no longer fear flooding after every heavy rain.

CDBG funded improvements now keep the flood water out of homes in the College Street neighborhood.

*The State's program combines local investments with CDBG to finance infrastructure that provides public water to replace contaminated wells, public sewer to remove raw sewage in families' yards, and drainage improvements to keep floods out of neighborhoods.*

IDIS Code	CDBG Activities	# Projects	Persons Assisted	% Benefit to Low-Mod
03K & 03J	Public Infrastructure	660	177,490	87%
03K & 03J	Disaster Assistance	211	247,040	N/A

# Georgia's State CDBG Program

*Promoting Economic Opportunity and Ownership: How the State CDBG Program Strengthens Georgia's Communities*

The Georgia State CDBG Program, created as a result of Ronald Reagan's 1982 "New Federalism" policy, has resulted in over 1,724 community development **initiatives implemented by 498 separate, rural local governments** that have successfully delivered tangible, long-lasting benefits. The projects have revitalized communities and provided new housing, new or retained jobs, and new or consolidated public services to individuals and families who were poor and lacked opportunity. Through a process that respects local self-governance, the State CDBG program rewards local leadership and partnerships that marshal the resources, initiative, and private capital to accomplish and sustain the complex "community building" required to revitalize and redevelop our poorest areas. State administration of CDBG has been successful because it recognizes that local leadership combined with local collaboration is what makes any federal enterprise successful.

Georgia's successful CDBG history includes projects that not only improve living conditions for low- and moderate-income families, but also create employment opportunities, remove blighted structures, and provide workforce training through partnerships with private business, local technical colleges, labor departments, and other local collaborative partners. Since 1992, these activities **have benefited over 1,058,542 individuals of whom approximately 90 percent were individually verified as low- to moderate-income before obtaining their employment, job training or other benefit.**



# Georgia's State CDBG Program

*Moving forward to face new challenges through locally driven initiatives*

Beginning in 2005, Georgia's CDBG strategy gives priority consideration to non-entitlement communities that implement a strategic "Revitalization Area" approach in their community development efforts. The strategy, which is being received with great interest, rewards communities that target areas with persistent poverty through comprehensive revitalization efforts that produce sustainable and tangible results. Qualified applicants are those implementing a Redevelopment Plan pursuant to O.C.G.A. 36-61 within a local framework for private investment and development using one or more of the following tools:

- **State Opportunity Zones** (O.C.G.A. 8-7-40.1): Offering the state's most sought after level of job tax credits, this new program is available in areas of 20 percent or greater poverty where local governments have enacted a Redevelopment Plan (O.C.G.A. 36-61) and have also implemented a State Enterprise Zone (O.C.G.A. 36-88) to cut local red-tape and provide tax incentives for commercial, industrial or residential development
- **State Tax Increment Financing** (O.C.G.A. 36-44): Allowing local governments to partner with private businesses to redevelop blighted areas and use the increased local property or sales tax increment to finance needed public infrastructure and facilities needed by the developments
- **Business Improvement Districts** (O.C.G.A. 36-43): Financing business recruitment, security, sanitation and other services
- **Community Improvement Districts** (Ga. Const. Art. IX, Sect.7): Financing public facility projects within underdeveloped business districts or other locally created programs that provide similar incentives

Communities that market and collaborate with federal programs receive further consideration.

The State of Georgia and her rural cities and counties are proud of the communities being built today thanks to the State CDBG funding provided by the federal government. It is much more gratifying for a community to craft its own destiny with financial assistance than to be told what that destiny should look like from another level of government. Our communities look forward to the future innovations the State will make in its design of redevelopment strategies. Hopefully, all intergovernmental partners will share the locally-drafted vision of a Georgia for all Georgians-- one in which communities are strengthened by their individual character and are fully supported in their individual solutions.

