

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

This fund accounts for the receipt and disbursement of the Community Development Block Grant (CDBG) for the infrastructure, and the Community Housing Improvement Program (CHIP) Grant to build houses, that was awarded to the City to develop Statesboro Pointe Subdivision. This is a 25-lot subdivision that the City created to provide low- and moderate-income citizens the opportunity for homeownership. Currently, the subdivision infrastructure is completely installed and eleven houses have been constructed and sold. Three more are under construction by Habitat. The original plan was for the City to use the proceeds to construct houses, sell them, and repeat this process until all 25 homes had been built and sold. Then, the CHIP funding would continue as a Revolving Housing Loan Fund to finance additional homes that the City could build on individual lots it had acquired.

The City had experienced difficulty in getting some potential buyers bank-qualified for conventional loans. At the same time, Habitat for Humanity of Bulloch County, Inc. had a waiting list of potential homebuyers, but had had difficulty in obtaining reasonably priced building lots. Since Habitat finances its own mortgages at zero interest, the bank qualification process is not an issue for their buyers. The City had 21 remaining lots in Statesboro Pointe, and in late May, 2003, partnered with Habitat; and had the Georgia Department of Community Affairs amend its two grant awards to allow the City to provide these lots as needed to Habitat through the recently created Statesboro—Bulloch County Land Bank Authority at reduced market rates or in some cases, no cost. In addition, DCA authorized the City to loan Habitat up to \$15,000 per house from the CHIP Grant Revolving Loan Fund, to be repaid at no interest as the Habitat mortgage is repaid over 20 years. This has made it less expensive for groups wanting to build a Habitat house as they will have to provide \$15,000 less in upfront money for supplies and materials. This has spurred development of these houses at a faster pace, and has assisted Habitat in getting more volunteers. We believe it is an excellent partnership to address low-income housing in Statesboro.

To date, the City has given the Land Bank Authority three lots at no cost, to be provided to Habitat. In addition, the City has sold ten lots to the Land Bank Authority for \$5,000 each, which in turn were sold to Habitat for the same price.

When Statesboro Pointe is completely built out, it is anticipated that the City and Habitat will partner on still other subdivisions, as the CHIP Grant funds will constitute a Revolving Housing Loan Fund that is replenished monthly as the loans to previous homebuyers are repaid into this CDBG Fund. This fund will be the repository of the Revolving Housing Loan Fund.

This Budget assumes that the City will convey four more lots to the Land Bank Authority for conveyance to Habitat. In addition, the City will make four loans of \$15,000 each to Habitat for the construction of these houses. Anyone wishing to participate in this housing program is encouraged to contact the Planning Director, at 764-0668, or Ms. Vicki Davis, Habitat Executive Director, at 489-2076.

FUND 221 - CDBG FUND

DEPT - 7400 - PLANNING

Account Number	Account Description or Title	FY 2006 Actual	FY 2007 Budget	FY 2008 Recommended
REVENUES:				
221.38.8004	Lot Sales Habitat House #10	\$ 4,788	\$ -	\$ -
221.38.8005	Lot Sales Habitat House #11	\$ 4,788	\$ -	\$ -
221.38.8009	Lot Sales Habitat House #15	\$ -	\$ 4,780	\$ -
221.38.8011	Lot Sales Habitat House #16	\$ -	\$ 4,780	\$ -
221.38.8016	Lot Sales Habitat House #21	\$ -	\$ -	\$ 4,780
221.38.8017	Lot Sales Habitat House #22	\$ -	\$ -	\$ -
221.38.8018	Lot Sales Habitat House #23	\$ -	\$ -	\$ 4,780
221.38.8019	Lot Sales Habitat House #24	\$ -	\$ -	\$ 4,780
221.38.8020	Lot Sales Habitat House #25	\$ -	\$ -	\$ 4,780
221.38.8021	Lot Sales Habitat House #26	\$ -	\$ -	\$ -
TOTAL REVENUES		\$ 9,576	\$ 9,560	\$ 19,120
EXPENDITURES:				
221.7400.52.1207	General Administration - CDBG	\$ -	\$ -	\$ -
221.7400.52.3301	Advertising	\$ -	\$ -	\$ -
221.7400.57.3401	Misc Expense	\$ 90	\$ -	\$ -
221.7400.57.4103	Bank Charges	\$ (75)	\$ -	\$ -
TOTAL EXPENDITURES		\$ 15	\$ -	\$ -