

The City of Fitzgerald Redevelopment Program

The City of Fitzgerald, Georgia was conceived by P.H. Fitzgerald, a Union pension attorney and publisher of the *American Tribune* which circulated to all Union veterans. After several unusually harsh winters and drought stricken summers, the Mid-West found itself at the mercy of relief trains from elsewhere in the country. Georgia, under then Governor Northen, was one of the most generous providers. Fitzgerald dreamt of a planned City in South Georgia where veterans of both sides of the Civil War could find a fresh start. With the purchase of 100,000 acres, his dream became reality. Starting in 1895, well before the 1896 incorporation, some 2400 families migrated to Fitzgerald, representing every state then in the Union. In short order, the original mile and a quarter square City grid was built out.

By 1996, the community numbered just under 10,000 population and most of the original in-town neighborhoods were in serious decline; their houses having reached the end of their useful life. Fitzgerald was concurrently home to 30+ industries, providing jobs to over three counties. The decline in working class neighborhoods mirrored the quest for affordable housing that was driving our workers to seek homes in adjoining counties 20 or more miles from their jobs. Those that remained local, rented often substandard accommodations and could never foresee the savings they perceived necessary to become home owners.

Developers suffered similarly dismal prospects, as the high end spec market was proving weak and they hardly considered low to mod income work force buyers a viable market. No one in the private sector perceived the vast market existing just below traditional radar.

The community was at a turning point. The public/private partnerships resulting in the industrial boom of the last two decades, and a housing boom in the seventies, was aging and beginning to unravel. The youngest of this group, Mayor Gerald Thompson, saw that much of what had been done voluntarily for so many years would have to be institutionalized, if Fitzgerald was to rebound. Thus, with the support of Council, the Community Development Department was born and a professional Economic Development Director was hired for the Development Authority. Both were indications of Fitzgerald's philosophy that all local government tasks can be distilled into two prime objectives: Economic Opportunity and Quality of Life. These missions are so closely intertwined that one cannot exist without the other. Fitzgerald tasks its managers with growing the forest rather than nurturing their individual trees. Committed cross-tasking, between departments and local agencies soon creates a sense of assets, needs and potential solutions.

After a series of abatements, renovations, and studies of traditional CDBG housing initiatives, two things became apparent: The City must control the lots involved if redevelopment of affordable housing was to be assured; and the City would have to

attract private sector investment to leverage the limited funds at its disposal. Finding no model for such an endeavor, Fitzgerald turned to Urban Redevelopment law as outlined in the Official Code of Georgia Annotated 36-44 and 36-61. Again there was no precedent for rural communities utilizing these laws to bolster neighborhoods and stimulate affordable housing, but there was also no proscription against it. It was in fact, a case of legal opportunity as opposed to the more common legal barriers. Legal/regulatory barriers would prove critical later on, but our approach was and continues to be: “How can it be done?” rather than “why it can’t be done.”

In 1996, Fitzgerald took the first tentative steps toward implementing a redevelopment plan and requisite agency. It treaded carefully as there was no model to emulate. A target property list was established and made public, with a six month corresponding amnesty period to clean up voluntarily, before the redevelopment plan would require re-establishment of minimum standard housing. A public relations blitz addressed every anticipated citizen concern about the new program. A new CHIP application shifted traditional rehab monies to down-payment assistance in hopes of stimulating construction. The anticipated backlash never materialized. Even the City was unaware of how ready neighborhoods and workers were for a change.

But it did not come quickly. While low income homeowners were well acquainted with our work in renovation under the CHIP program, potential homebuyers failed to recognize the inherent opportunity in down payment assistance. Developers, still could not see a market. At risk of losing the first CHIP monies dedicated to down payment assistance, City representatives begged speaking opportunities at every church, civic club, and corner gathering available. The local newspaper editor joined in with several articles on the opportunities present. Seemingly overnight we had 40, then 60 applications, but still no builders. No one could see a profit in a stick-built house on a 40 foot lot in a depressed neighborhood.

A meeting of local realtors and developers yielded much sympathy but no commitments. The only nibbles were coming from the local manufactured housing community which at that time provided nearly 1200 jobs in our immediate area. Though this wasn’t where we wished to end up, with proper controls, it could be a first step. After consultation with local housing dealers and the Georgia Manufactured Housing Association, the zoning code was amended to change the definition of a dwelling, effectively outlawing single-wide, sardine can homes; while opening new areas to double-wides on permanent foundations with traditional roofs, porches, and street fronting doors.

The first such house evoked numerous calls in a neighborhood where manufactured housing was formerly taboo. But once it was set up on a site occupied by a burn-out for the last eleven years, the only calls to the City were to convey thanks. Soon developers saw an opportunity to package redevelopment lots with manufactured housing and have a salable product in concert with CHIP assistance. Meanwhile, the City partnered with Habitat for Humanity to build a viable 1250 square foot house on a 40x160 redevelopment lot. We used this house as a model to convince builders that more money stood to be made in stick-built, if they would only give it a chance.

Though still unsure about redevelopment lots, several builders were beginning to spot the untapped work-force housing market and learning to partner our down-payment assistance with the USDA 502 program. New subdivisions were requesting annexation to take advantage of our programs and we were starting to gain traction.

Existing subdivision regulations however, required planning and zoning approval for what was simply a non-discretionary checklist of requirements once zoning established use-by-right. Projects were held up for months awaiting quorums and the whims of commissioners on the joint City/County board. The City moved to streamline the process by a new ordinance making subdivision plat approval an administrative task of Community Development.

Unexpected benefits began to roll in. Regency Investments, after hearing a presentation on Fitzgerald's programs, decided to pursue a Low Income Housing Tax Credit project in Fitzgerald. With the City's full cooperation, it was funded, and we became one of only a hand full of rural communities with such an asset. Simultaneously, the Department of Community Affairs became convinced by our work to date, that we could attract private investment to an in-fill project in an in-town neighborhood. We received the first competitive in-fill housing CDBG award in the state for the Oconee Street Project.

Presentations across Georgia have granted Fitzgerald a leading role in partnering with DCA to adopt regulations incentivizing similar efforts throughout rural Georgia. Negotiations are underway with the Environmental Protection Division and EPA to develop disposal protocols; utilizing a combination of recycling, reuse and burning that can bring costs down to a sustainable level for non-entitlement communities. Disposal costs, and conflicting environmental regulations remain the greatest fiscal challenge to rural redevelopment and affordable housing.

Moreover, we have proven the key to a successful program lies in partnership. We count local realtors, developers, bankers, workers, media, churches, USDA, DCA, HUD, and others as partners that enable success otherwise unattainable. The City Marshall position was reinstated to enforce a new Property Maintenance Code which now has teeth in supporting affordable rental property due to the threat of redevelopment attaching shuttered properties.

Today, seven local contractors are building affordable housing under our program and many out-of-town builders are requesting to come in; a 60 unit LIHTC project is complete; 375 units of affordable housing are on the ground; over 235 redevelopment target properties have been resolved; a former resident has returned with plans to build sixteen single family affordable rental houses in a blighted area; over 125 acres of affordable subdivision lots have been annexed with several being transitional to higher income areas; and neighborhoods once spiraling downward are beginning to see light ahead. We have further helped DCA revamp the underwriting criteria for their housing funds, cutting the paperwork for a DCA/USDA leveraged loan in half; finally making these funds a viable year-round option to competitive CHIP funding. Though our

foreclosure rate has been low, we have mandated FDIC Money Smart training for all homebuyers under our program. Our original nest-egg of \$38,000 has grown slightly through careful buying, selling, private demolition fees, and donations.

Totally unforeseen, were the corollary benefits in jobs, local material sales, tax income, etc. Though these have never been a direct goal, they are an irrefutable result of common-sense regulatory tweaking and a balanced redevelopment and affordable housing program.

Adoption of State redevelopment law has allowed us to approach every lot with a unique blend of tools and creativity and the right amount of incentives (waiver of fees, building regulations, setback adjustments, time extensions, batch permitting, etc.). Where narrow lots could not be reconfigured, we purchased narrow lot historic house plans used by the City of Savannah and made them available to our builders. This not only assured them of a marketable house, but opened redevelopment lots in the Historic District (previously considered unbuildable) to the first new construction in forty plus years. Having no recent comps to establish market value when we started, we have worked with builders, appraisers, and USDA to get local appraisals up to a profitable level on par with comparable communities. Our plan remains fluid, adapting through amendment to greater goals and opportunities created by changes in State regulations we helped to conceive.

Our redevelopment program has also targeted Downtown blight in partnership with the Downtown Development Authority. We instituted a façade grant program which has helped renovate over 30 buildings, drawing new restaurants and businesses to Downtown, completed 26 blocks of new streetscape, and a new downtown park; further enhancing the quality of life for our homebuyers. We partner closely with the Industrial Development Authority to continue to create new job opportunities and potential new home owners. Our housing fairs, in partnership with USDA, DCA, local banks, and developers have begun to target the Hispanic market with good results. We are partnering with a four government, joint development authority and local schools to provide new technology based jobs and students who are savvy enough to handle them.

Our experience has only served to reinforce the core belief, as stated earlier, that if you properly tend the forest as a whole, individual trees will thrive. Proper stewardship however, requires common sense, creativity, and above all partnership, in implementing a plan and enabling its success through astute use and tweaking of regulations.