

# For Georgia, by Georgia: Rural Workforce Housing Initiative

**Georgia Department of Community Affairs/  
Georgia Housing and Finance Authority**  
Homeownership: Encouraging New Construction

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## **Overview**

In 2023, Area Development magazine named Georgia the number one state to do business for the [tenth year in a row](#), an unprecedented milestone. Economic development efforts throughout rural parts of the state, including the development of large manufacturing plants such as Hyundai and Rivian, have driven jobs growth in areas with historically little investment. Lawmakers quickly recognized the shortage of affordable housing options in these areas as a major challenge, however, both for those currently living there and for those relocating for employment. In response, the Georgia General Assembly approved \$35.7 million in the 2023 State budget to start the Rural Workforce Housing Initiative (RWHI).

On May 5, 2023, the OneGeorgia Authority launched an Equity Fund and created two tools. 1) OneGeorgia dedicated \$25.7 million in infrastructure grants to local authorities, and 2) OneGeorgia granted \$10 million to the Georgia Housing Finance Authority (GHFA), administered by the Georgia Department of Community Affairs (DCA), to provide housing construction loans. The construction loan program is intended to provide 0-3% interest construction loans to build for-sale housing in rural areas, while infrastructure grants may be used to pay for local infrastructure needs to develop for-sale or rental housing. Applicants may pair the tools for strategic impact in their communities.

Eligible activities for the RWHI include:

- For sale housing with a sale price of between \$125,000 - \$290,000. Sale prices must be affordable to homebuyers earning 100% Area Median Household Income
- Rental housing with construction costs between \$125,000 - \$290,000 with 2 or more bedrooms and affordable rents for at least ten years

Leveraging capacity and expertise within the administering agencies, local planning requirements, and a clear mission to meet local rural housing needs, eligible communities were able to quickly take advantage of the funding. In less than five months, OneGeorgia and DCA had awarded five communities more than \$8 million, with another \$9 million awarded in four communities by the end of 2023. In April 2024, Governor Kemp announced three more recipients, totaling another \$6.3 million. In awarding a total of \$23.67 million, the RWHI will lead to 1,023 new homes in rural Georgia communities.

## **Innovations - “For Georgia, by Georgia”**

The Rural Workforce Housing Initiative leverages cross-sector planning and financing. The innovation lies in framing affordable housing as an economic development driver, not only through new construction employment opportunities but also recognizing that, but for the creation of affordable housing units, businesses would not be able to attract and retain sufficient employees. In addition, the RWHI provides multiple finance tools, including construction loans and infrastructure grants, to meet the specific needs of each community. The RWHI’s flexibility of options was designed after DCA consulted with local governments to determine the best way for the state to assist in spurring housing development. Also, because the RWHI is state-funded and does not come with additional federal requirements, OneGeorgia and DCA were able to stand the program up within three months to match the growing pace of rural economic development in Georgia. As such, the RWHI is designed to be “for Georgia, by Georgia”.

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### **Replicability**

With a focus on rural areas, this program can easily be replicated in other states, especially those with a strategic focus on economic development in rural areas. Understanding that one of the key challenges of development in rural areas is the lack of local development infrastructure, DCA recommends offering multiple finance tools including infrastructure grants and low-interest construction loans that can be paired or used independently. Based on local needs, other states may consider additional tools. States looking to replicate the RWHI may utilize construction lending capacity and/or bond authority within their State Housing Finance Agency. They may also encourage pairing federal funds with their program.

### **Response to state housing needs**

Because RWHI funds are intended to address locally identified housing needs in rural areas, flexibility is key. Applicant communities can apply for infrastructure grants or construction loans, or both, depending on the specific identified needs. Those funds could be used to promote homeownership or rental opportunities, and they can be used in conjunction with other DCA housing resources, including LIHTC and Georgia's state housing tax credit. RWHI funds are awarded on a rolling, competitive basis to projects that demonstrate an ability to address:

- Ongoing workforce housing needs, as identified by a recent local housing study;
- Difficulty satisfying workforce needs, such as recruitment and retention, in communities or regions with low unemployment; and/or
- A community or regional commitment to expand and improve existing housing stock.

Several communities that were awarded RWHI funds had gone through the Georgia Initiative for Community Housing (GICH) program, a cohort-based program that educates local housing teams on policies, resources, and strategies to address their local housing challenges. Rural teams that planned for housing could easily take advantage of the new Rural Workforce Housing Initiative.

Community Highlight: Elliots Walk is a 33-acre residential development in Columbus, GA.

NeighborWorks, the nonprofit developer, partners with the City of Columbus and DCA to utilize funding sources from the Rural Workforce Housing Initiative, specifically the infrastructure grant and the construction loan, to assist with the completion of the development. Along with the grant and loan, they were also able to utilize foundation grants and tax allocation funding from the City of Columbus. When completed, Elliots Walk will consist of 56 single-family homes and 130 multi-family senior apartments. The neighborhood will have access to public transportation, biking, hiking trails, and more.

### **Using data, research and analysis to demonstrate measurable benefits to HFA targeted customers and underserved markets**

Georgia conducted a statewide housing needs assessment between 2021 and 2023, demonstrating a significant need for affordable homeownership opportunities in all areas of the state. The study found that more than one in three of homeowners earning 51-80% AMI are cost burdened. For those making less, the need is even greater. Despite the need, the majority of housing development occurs in metro areas, leaving rural families with few housing options to choose from. OneGeorgia and DCA analyzed the average cost of housing throughout Georgia and scaled the program to ensure that home prices are affordable to those making less than 100% AMI.

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### **Proven track record of success in the marketplace**

One of the most remarkable aspects of the RWHI is the rapid start-up time. The program was signed into law in March 2023, and by early May the program was launched. Since launching, the RWHI has awarded three rounds of funding to local communities totaling more than \$23 million, which will lead to approximately 1,023 new homes. The capacity to stand up a successful program is due, in part, to DCA's existing staff expertise in investing CDBG, HOME, NHTF, NSP, TCAP, LIHTC and other federal and state funds in communities throughout the state. Due to the success of the RWHI in the first year, the Georgia Assembly has recently awarded OneGeorgia and DCA approximately \$55 million in additional funding to continue investing in rural affordable homes.

### **Provide benefits that outweigh costs**

The average per-unit state grant contribution associated with RWHI is just \$23,000, leveraging significant private investment to provide new affordable homes for rural homeowners and renters. Given that the median sales price of a home in Georgia is more than \$350,000, this demonstrates the significant impact a relatively small public investment can make to spur the development of new affordable homes in targeted areas<sup>1</sup>. The community economic benefits alone, let alone the education, employment and health benefits for residents, from the development of 1,000+ rural homes will be many times the value of the state's investment.

### **Demonstrate effective use of resources**

Effective use of resources for RWHI includes spreading awards among twelve communities, leveraging significant private investment, creating over 1,000 new affordable homes, and providing flexible tools for rural communities to utilize for their needs. Because of these early successes, the Georgia General Assembly appropriated another \$55 million to the RWHI in the 2024 legislative session.

### **Effectively employ partnerships**

The Rural Workforce Housing Initiative is highly effective in large part because of strategic partnerships. The OneGeorgia Authority plays a central role in planning, convening partners and deploying resources to rural communities, while DCA plays a role in program design, strategic resource allocation, and community engagement. Meanwhile, local government partners are the boots on the ground, identifying the specific needs in their community and implementing their local housing plans. Together, along with the developers, construction teams, and community members, all of these key stakeholders play instrumental roles in meeting the identified housing needs.

### **Achieve strategic objectives**

The RWHI accomplishes Governor Kemp's strategic objective of maximizing the success of rural economic development strategies by ensuring local households can live affordably where they work. The purpose of the OneGeorgia Equity Fund is to provide a program of financial investments that includes grants, loans, grant/loan combinations and any other forms of assistance authorized by (O.C.G.A. 50-34-1 et seq.) to finance activities that will assist applicants in promoting the economic security and creation and retention of economic opportunities for the citizens of the state through the development and retention of employment opportunities in rural areas of the state.

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<sup>1</sup> *Annual Report on the Georgia Housing Market for Residential Real Estate Activity in the State of Georgia*. Georgia Realtors. 2023. <https://gar.stats.showingtime.com/docs/ann/x/report?src=map>

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**Appendix: Visual Aids**



A project of NeighborWorks®  
Columbus & MANY Partners



Image of Elliott's Walk in Columbus, Georgia, an awarded project of the RWHI



Photo of City of Colquitt, Georgia, representatives receiving a RWHI award at the 2023 DCA Fall Conference