

COMMUNITY PLANNING ASSISTANCE TEAMS

Laney Walker/Bethlehem Neighborhood
Augusta, GA
Final Report
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American Planning Association
Making Great Communities Happen

EXECUTIVE SUMMARY

Introduction

As a priority of the American Planning Association (APA) and its professional institute, the American Institute of Certified Planners (AICP), the Community Planning Assistance Team (CPAT) program focuses broadly on addressing issues of social equity, inclusion accessibility and sustainability in planning and development. CPAT projects seek to foster community education and civic engagement. The program is designed to bring planning resources and opportunities to communities with a demonstrated need for assistance and to strengthen the ability of local residents and other community stakeholders to influence or determine decisions that affect their quality of life.

In December 2013, the APA, through its (CPAT) program, was engaged by the Augusta-Richmond County, Georgia, to evaluate the City's work and progress to date on the Laney Walker/Bethlehem Neighborhood revitalization effort, and to make recommendations regarding future funding support for the project. Specifically, this CPAT was asked to perform the following relative to the Laney Walker/Bethlehem Neighborhood revitalization project:

- Analyze the current bond structure to determine the best structure to be used when the bonds are refinanced in 2015;
- Identify long-term funding streams that will take the project out another 10-15 years;
- Analyze the current request for a \$2.5 million bridge loan to determine how best to sustain the effort until the 2015 refinancing;
- Analyze the staffing structure of the Department of Housing and Community Development as it relates to the Laney Walker/Bethlehem effort, and how best to utilize the services of APD Urban Planning and Management and Melaver-McIntosh, the project's two primary consultants; and
- Provide an overall assessment of the project including day-to-day management and financing strategies.

Summary of Recommendations

The Community Planning Assistance Team was extremely impressed with how much progress has been made in such a short period of time and feels this is a worthy endeavor on behalf of the City and region. Therefore, we recommend the following actions to continue its success:

- Financing
 - Fund Bridge Loan
 - Allocate General Funds to Project
 - Identify Additional Community Development Funding Streams
 - Strengthen Community Partnerships
- Regulatory
 - Revise Land Development Regulations
 - Streamline Permitting Process
- Management Structure

- Complete Current Projects in Heritage Pine and Twiggs Circle
- Transition Development Responsibilities to Private Sector
- Transition to Internal Staffing for Project Management

PROJECT BACKGROUND

Laney Walker/Bethlehem Revitalization Plan

Laney Walker/Bethlehem is an initiative of the consolidated city-county government of Augusta-Richmond County, Georgia, for long-term redevelopment of approximately 1,100 acres in the heart of the community's urban core. The project area encompasses two historic African-American neighborhoods, Laney Walker and Bethlehem and is located in close proximity to the Augusta Medical District (to the northwest) and the Central Business District (to the north).

The revitalization plan, initially completed in 2008 and reinforced with the Urban Redevelopment Plan completed in 2010, envisions the recreation of a mixed-income, mixed-use, and sustainable neighborhood that attracts residents, jobs and commerce and connects the downtown to the nearby medical district (the home of 14,000 jobs). A significant number of the plans' strategies focus on construction and rehabilitation of housing.

Funding

The project to date has been funded by a new hotel/motel fee approved by the Augusta Commission in 2008. This fee was leveraged to create a revenue stream estimated to generate a total of \$37.5 million over a 50-year period, which allowed the City to issue an \$8 million bond to fund the Laney Walker/Bethlehem Revitalization Project. From this bond, the Laney Walker/Bethlehem project has received an annual allocation of \$750,000, of which \$550,000 was dedicated to paying on the debt service. The remaining \$200,000 annual balance has been used for project support such as planning, land acquisition, gap financing and down payment assistance.

Project Management

The local government has served as the master developer for the Lane Walker/Bethlehem project, and taken all of the investment liability for the project. To date, other than the few projects developed independently by the non-profit partners, the builders and developers that have participated in the project have done so as contractors, on a direct fee basis.

Oversight of the project has been the responsibility of the Department of Housing and Community Development. The day-to-day management of the project has been outsourced through a contract with a private consulting firm, APD Urban Planning and Management, headquartered in Atlanta, Georgia and Jacksonville, Florida. APD has maintained a local office in Augusta, dedicating, at any given time during the project, 5-8 professional staff, mostly full-time. APD has provided services that include all areas of property acquisition, project management, construction management and urban planning and regulatory management. Since 2010, another private consulting firm, Melaver-McIntosh, out of Savannah, Georgia, has provided marketing, outreach and communications for the project.

OBSERVATIONS

Progress to Date

In a very short time, the City has achieved a great deal on the Laney Walker/Bethlehem initiative. Key accomplishments included:

- Completing a neighborhood redevelopment plan, housing and retail market analyses, development and construction guidelines, and identity and branding strategies;
- Assembling a significant amount of land, either through direct purchase/land banking or through community partners;
- Development activity in 4 project areas—Heritage Pine, Twiggs Circle, Holly Street Common and East Mill Village—through direct construction and by leveraging its resources to attract non-profit development partners such as Antioch Community Development Corporation, United House of Prayer, and the Housing Authority;
- Creating homebuyer and homeowner assistance that successfully attracted engaged residents back into the area; and
- Increasing the taxable value of the area by \$4.3 million.

Additionally, the project has received national recognition for its creative approach, including receiving the 2013 HUD Secretary’s Opportunity and Empowerment Award from the U.S. Department of Housing and Urban Development (HUD) and the American Planning Association (APA).

Current Challenges

Regulatory. The neighborhood revitalization plans and guidelines encourage, and at times require, setbacks and site layout designs consistent with those of traditional neighborhoods. However, the city’s land development/zoning code has not been updated accordingly. The city has been addressing this through requests for variances, which often results in delays in building permits, increased building costs and staff time.

Sustainable Management Structure. Many benefits exist from utilizing contract staff support. In the case of the Laney Walker/Bethlehem project, the outsourcing to private firms for the initial phases of the project has brought a much needed level of expertise to the project in a fiscally responsible approach. The CPAT team is impressed by both of the two primary contractors and the quality of their contributions to the project.

Yet, as the project has evolved, and become more complex in nature, due to limited internal staffing, the City has continued to lean more heavily on the primary contractors, particularly APD, for just about every aspect of the project. Many of these tasks are very time consuming and have begun to wear on the budget, for the contractors as well as the project as a whole.

The complexity of the project combined with limited funding will necessitate a revised management structure in the near future. Additionally, it will be critical to provide some local consistency and continuity through internal coordination to support the successful completion of such a long term project.

Financing

The project has depleted the original \$8 million of funds more quickly than expected. This has been mostly due to the Department of Housing and Community Development and its consultant APD being able to assemble significant parcels of land and begin construction much more quickly than scheduled, or imagined. Additionally, because the Department of Housing and Community Development has no internal staff capacity to support the day-to-day management of the project, and the City has not pledged any General Fund support to this project to date, the ongoing operating costs have been paid with proceeds from the \$8 million bond issuance as well. The payment of ongoing operating costs with one-time bond revenue needed for land purchases, etc., has not been an ideal situation. However, since the City has not pledged General Fund support for this project, the spending of these funds has been unavoidable if momentum is to be sustained on this worthy project.

Like with many redevelopment projects, there is often an initial period that requires “upfront” public subsidy until the market catches up to the project. In other words, if there were money to be made in the study area, the private sector would already be developing there. Yet, there are signs that the tide is beginning to turn in favor of the study area, as lenders are waking up to the synergy that is happening in Laney Walker/Bethlehem and it is likely that future property sales will begin to generate modest revenue.

RECOMMENDATIONS

Financing

Fund Bridge Loan. The Community Planning Assistance Team feels strongly that the City should approve the \$2.5 million bridge loan requested by the Department of Housing and Community Development. The Team feels that failure to do so will severely retard the critical momentum that is building for this effort, as well as send a message to the residents of Laney Walker/Bethlehem that the City cares more about other areas of the City.

Allocate General Funds to Project. Additionally, the Community Planning Assistance Team feels strongly that the City should consider General Fund support to the Department of Housing and Community Development’s revitalization efforts, not only in Laney Walker/Bethlehem, but Citywide.

Identify Additional Community Development Funding Streams. It is no secret that problems usually associated with inner cities have made their way into suburban areas, challenging the ability of these local governments to do business, as they have been primarily focused on “greenfield” development opportunities. Declining incomes, decreases in owner occupancy, obsolete housing stock, aging infrastructure, declining commercial areas, public safety incidents, and demand for social services are happening with increased frequency. The point of this discussion is that Laney Walker/Bethlehem will not be the last neighborhood Augusta will need to support from a redevelopment/revitalization perspective. There are other neighborhoods that are beginning to show signs of distress that will require attention in the future, such as Harrisburg, Olde Town, East Augusta, and Turpin Hill.

Therefore, in addition to General Fund support, the City should begin identifying and pursuing

alternative funding streams for redevelopment and revitalization efforts. Examples include:

The Georgia Employment Incentive Program (EIP). This is a financing program capitalized with State CDBG funds that may be used by private businesses along with conventional private financing to carry out economic development projects which will result in employment of low- and moderate-income persons. Projects that create opportunities for low- and moderate-income persons to advance themselves by obtaining employment, greater job security, better working conditions, job training, enhancement of workplace skills and advancement opportunities receive the greatest consideration.

Regional Economic Business Assistance (REBA) Program. This is a specialized economic development tool that may be used to enhance Georgia's competitiveness in attracting significant economic development projects and as a vehicle for significant local, regional or state-wide initiatives that will have either short- or long-term economic development benefits. REBA should not be used when other state or federal programs could be used or when local funds are sufficient to accomplish economic development goals.

Downtown Development Revolving Loan Fund (DD RLF). This program assists cities, counties and development authorities in their efforts to revitalize and enhance downtown areas by providing below-market rate financing to fund capital projects in core historic downtown areas and adjacent historic neighborhoods where DD RLF will spur commercial redevelopment.

Local Initiatives Support Corporation (LISC). LISC is an organization dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity — good places to work, do business and raise children. LISC mobilizes corporate, government and philanthropic support to provide local community development organizations with loans, grants and equity investments, as well as technical assistance.

Strengthen Community Partnerships. The City has been successful at attracting public (Housing Authority) as well as private non-profit development partners that are making significant investment into the Laney Walker/Bethlehem project—projects that would not have occurred without the local government's involvement. Specific strengths exist in Community Housing Development Organizations (CHDOs), such as the Antioch Community Development Corporation. The City should continue to work with these partners, and look for ways to build their capacity to provide affordable housing options, as well as associate support services.

The CPAT team feels strongly that in order for the Laney Walker/Bethlehem project to be a long term success, the private business sector must be engaged. To that effect, the City should reach out to the private sector to develop stronger partnerships with the business community and organizations such as the Augusta Regional Collaboration (ARC) Project, Augusta Development Authority, Downtown Development Authority, and Augusta Tomorrow. These partnerships should seek to build off the development opportunities in Augusta's Central Business District and Medical District. The Laney-Walker/Bethlehem is the key connection between these two districts.

Cities across the nation are recognizing the critical role that the downtown plays in the positive growth of a region. A vibrant urban center that offers restaurants, shops, businesses, and residential housing benefits the greater community by supporting surrounding neighborhoods and creating opportunities for larger economic development. Additionally, the medical institutions—Georgia Regents Health Center, Georgia Regents University, and University Hospital—offer an employment base that would support both residential and commercial initiatives.

Regulatory

Revise Land Development Regulations and Streamline Permitting Process. One of the most effective, and least expensive, ways a community can encourage positive development investment is through supportive regulatory policies and processes. The CPAT team recommends the city make modification to the land development regulations to allow for development as envisioned in the Laney Walker/Bethlehem master plan. Additional review will be required to determine the best approach to accomplish this task. Yet, the City should make this a high priority. Short-term solutions may involve the creation of a planned development district for the Laney Walker/Bethlehem area and/or minor modifications to the zoning code to reduce setbacks and allow for greater design flexibility. Long-term, the City should consider utilizing a form-based code for the project area, as well as in other outlying areas.

Additionally, the city should evaluate its development permitting process, and take steps to streamline that process to attract high quality development partners.

Management Structure

Complete Current Projects in Heritage Pine and Twiggs Circle. The City should focus construction activities towards the completion of Heritage Pine and Phase II of Twiggs Circle. The completion of Heritage Pine is critical in that it will serve as the flagship model development for the project. Also, it has the most opportunity for immediate success, due to the in-depth level of engagement of existing new residents. The completion of the second phase of Twiggs Circle is critical in leveraging the adjacent redevelopment project underway by the Housing Authority.

Transition Development Responsibilities to Private Sector. The CPAT team commends the Augusta Commissioners for its creative and progressive approach, and its willingness to serve as the master developer for the initial phase of the Laney Walker/Bethlehem project. Given the severe depression of the market in the area, none of the initiatives that have occurred over the past few years would have been possible without the public sector involvement. That said, given the large scope and significant timeframe for the project, and the limited access to funding, the City will need to transition to leveraging additional development partners who can take responsibility for much of the day-to-day construction and real estate management tasks.

The CPAT team recommends that policies be put in place to begin transitioning the development responsibilities from the City to the private sector, both nonprofit and for-profit. This may done by using City resources, such as the vision illustrated in plans, infrastructure investments, financial incentives, assembled land, business friendly regulations and permitting processes, and public-

private partnerships, to attract equity development partners to the project. Land banking is one of the most effective economic development tools for a local community. The City should create marketing packages and aggressively solicit letters of interest from developers and builders for key sites.

Transition to Internal Staffing for Project Management. The CPAT team commends the Augusta Housing and Community Development Department, APD and Melaver-McIntosh for their achievements in the Laney Walker/Bethlehem project. It is truly a project of which they may be proud. The continued success of the project will depend on appropriate staffing and allocation of workload.

The CPAT Team feels strongly that having internal staff will be critical and recommends that the City dedicate funding immediately for an internal project manager. This project manager will serve as the point person for the Laney Walker/Bethlehem project. His/her workload should be focused on managing consultants, and seeking, creating, and managing public-private partnerships to implement the revitalization plan. Additionally, the City should look at appropriate ways to engage other City departments in the project to spread out the workload and to encourage much needed support and ownership within the organization's structure.

Once a project manager is on board, the City should scale back the use of consultant hours to focus on the completion of the Heritage Pine and Twiggs Circle-Phase II projects, as well as to support marketing of key sites. The City should develop a transition plan that allows for dedication and training of staff. It will be critical to continue to involve both APD Urban Planning and Management and Melaver-McIntosh over this transition to ensure continued progress, quality control, and appropriate transfer of project knowledge.

CONCLUSIONS

Laney Walker/Bethlehem faces challenges but is has also experienced many success stories in a very short time. Strong evidence suggests there will be more success stories to come in the near term, including the likely decrease in the amount of subsidy required on behalf of the City. The neighborhood benefits from a committed and enthusiastic group of City employees and contractors and residents willing to continue working to improve the neighborhood. However, the Laney Walker/Bethlehem neighborhood is not without its challenges. The lack of General Fund support for this project to date will prove crippling in the long run to this revitalization effort. As discussed previously, bond proceeds are presently being used to fund ongoing operations (mainly consultants). General Fund support will be required if the City is to build the required internal staffing capacity. In the interim, it will be critical to continue to involve both APD Urban Planning and Management and Melaver-McIntosh over this transition to ensure continued progress, quality control, and appropriate transfer of project knowledge. Therefore, in the short-term, we recommend the City approve the bridge loan being requested by the Department of Housing and Community Development. In summary, the Community Planning Assistance Team was extremely impressed with how much progress has been made in such a short period of time and feels this is a worthy endeavor on behalf of the City and region.

MEET THE TEAM



Carson Bise, AICP | Team Leader

Carson Bise has 23 years of fiscal, economic and planning experience and has conducted fiscal and infrastructure finance evaluations in 35 states. Mr. Bise has developed and implemented more fiscal impact models than any consultant in the country. The applications which Mr. Bise has developed have been used for evaluating multiple land use scenarios, specific development projects, annexations, urban service provision, tax-increment financing, and concurrency/adequate public facilities monitoring. Mr. Bise is also a leading national figure in the calculation of impact fees, having completed over 200 impact fees for the following categories: parks and recreation, open space, police, fire, schools, water, sewer, roads, municipal power, and general government facilities. In his seven years as a planner at the local government level, he coordinated capital improvement plans, conducted market analyses and business development strategies, and developed comprehensive plans. Mr. Bise has also written and lectured extensively on fiscal impact analysis and infrastructure financing.



Julie Franklin, AICP

Julie Franklin is a senior associate with Lawrence Group, a nationally renowned design, planning and development firm. For over two decades, Ms. Franklin has facilitated the creation and implementation of community-led plans focusing on local solutions and sustainability as the driving force of economic growth. She is skilled at building effective programs, development incentive packages and public-private partnerships, overseeing a wide range of planning and development projects, and utilizing her understanding of urban design to create value for both the private and the public sectors. Ms. Franklin previously served as the economic development director for the City of Spartanburg, South Carolina and the development manager for the City of Greenville, South Carolina, where she played an integral role in the revitalization of the cities' downtowns and surrounding neighborhoods. She holds a Master of City and Regional Planning from Clemson University and an undergraduate degree from the University of Georgia.



Charles C. Graves, III, AICP

Charles Graves is the Director of the Department of Planning and Buildings, for the City of Cincinnati. He oversees a staff that includes 75 staff persons in the Divisions of Community Planning and Building & Inspections. Major initiatives for the Department include implementing a new Comprehensive Plan for the City, implementing form-based code zoning, and streamlining the permitting process. Mr. Graves previously worked as the Deputy Director of Long Range Planning in the office of Planning for Washington, D.C. where he helped develop the Comprehensive Plan for the city. In his career he has also served as the Commissioner of Planning and Community Development in Atlanta, Georgia, Director of Planning for Baltimore, Maryland and Director of Planning and Development in Appleton, Wisconsin. Mr. Graves holds a Bachelor of Arts in Political Science and Urban Planning from Hampton University. He also received his Master of Science in Community Economic Development from New Hampshire College and achieved a Certificate of Advanced Study from Harvard University's John F. Kennedy School of Government Program for Senior Executives in State and Local Government.