

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS



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Gina H. Webb, Region 10 Representative



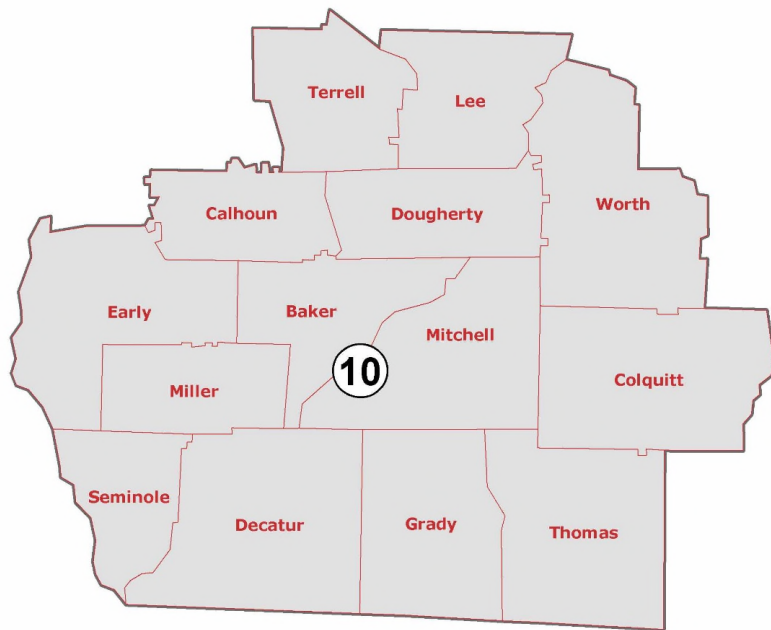
DCA Mission Statement:

To help build strong,
vibrant communities.

Community Services

- ❑ **Regional Representatives located in each of the state's 12 service delivery regions**
 - ❑ Partner with local governments, chambers of commerce, other state partners to assist with access to resources & programs, and provide technical assistance.
- ❑ **Georgia Academy for Economic Development**
 - ❑ Registration is available now
 - ❑ Dates: August 22, September 26, October 31, and November 21
 - ❑ Location: The Bindery located inside the Oakland Library in Lee County

Region 10 Overview



Baker Lee
Calhoun Miller
Colquitt Mitchell
Decatur Seminole
Dougherty Terrell
Early Thomas
Grady Worth

Federal Programs

- ❑ Community Development Block Grant
 - ❑ Employment Incentive Program (EIP)
 - ❑ Redevelopment Fund (RDF)
 - ❑ Immediate Threat & Danger (ITAD)
 - ❑ CDBG Annual Competition

Community Development Block Grants

- Community Development Block Grant (CDBG) enacted by Congress as Title I of Housing and Community Development Act of 1974
- The primary objective of CDBG is “the development of viable communities through improvement of living conditions, housing and the expansion of economic opportunities in cities and counties, principally for persons of low-and moderate income.”
- Two delivery systems in Georgia
 - Entitlements
 - Non-entitlements

CDBG Overview

- Local governments can implement a broad range of activities as long as they further the National Objectives of the Act
- National Objectives are:
 - Majority benefit to low and moderate income persons through services and job creation (<51%)
 - Minimum 70% for Community Development projects
 - Prevention or elimination of slum and blight
 - Meeting urgent needs that pose a threat to the health and welfare of the community

State CDBG Annual Competition

- Single Activity: up to \$750,000
- Multi- Activity: up to \$1,000,000*
- Housing
 - Rehabilitation
 - Reconstruction
 - Acquisition
 - Relocation
 - Demolition

- Infrastructure Improvements
 - Sewer
 - Water
 - Streets
 - Drainage

Employment Incentive Program

- ❑ \$750,000 maximum grant/loan
- ❑ Local governments can access funds anytime through the year
- ❑ Projects must create/retain jobs primarily for low to moderate income persons
- ❑ Must have dollar for dollar private match for every EIP dollar
- ❑ Eligible activities include:
 - public infrastructure and facilities
 - loan to for-profit entities

City of Colquitt EIP Grant Award

- EIP grant in the amount of \$750,000
- Assisting with construction of a sewer and drainage infrastructure to benefit Miller County Hospital's expansion of their existing facility
- Miller County Hospital has committed to investing \$3,389,756 in building and equipment
- Hospital will create 75 Full Time jobs

Miller County Hospital



Redevelopment Fund (RDF)

- ❑ A CDBG set-aside/Maximum amount \$750,000
- ❑ Local governments may access funds anytime
- ❑ Projects must alleviate a “slum or blight” condition.
- ❑ Any created jobs must be made available to low and moderate income persons.
- ❑ Eligible activities include the provision of public infrastructure, public facilities or the making of loans to Authorities to acquire and alleviate blighted buildings/facilities. Facilities may then be leased or sold to private sector developers or businesses.

City of Arlington RDF Award

- ❑ RDF Grant to City of Arlington for demolition and clearance of an old school and gymnasium that was deemed a blighted structure
- ❑ Grant Amount: \$500,000
- ❑ This project has been declared as blighted on a “spot basis”

City of Arlington RDF Source and Use

<u>Source</u>	<u>Use</u>	<u>Amount</u>
RDF	Demolition/Clearance	\$ 500,000
City	Engineering/Grant Admin	\$ 44,457
Total Project Cost		\$544,457

City of Arlington RDF Project-Before Photo



City of Arlington RDF Project- After Photos



Immediate Threat and Danger (ITAD)

- ❑ Circumstances are particularly urgent and unique
- ❑ Condition must be of recent origin
 - ❑ Developed or become critical within 18 months of application
- ❑ Condition must pose a serious and immediate threat to health or welfare of the community
- ❑ Other financial resources are not available
- ❑ Can reimburse for completed emergency repairs
- ❑ 50% of project cost up to \$50,000
- ❑ Local Government has to provide at least 10% of the project cost

State Programs

- ▣ OneGeorgia Authority
 - ▣ Equity
 - ▣ EDGE
- ▣ Regional Economic Business Assistance (REBA)
- ▣ Downtown Development RLF

Program Goal

- ❑ OneGeorgia provides grants and loans towards infrastructure improvements to catalyze economic development.
- ❑ The goal of the OneGeorgia Authority is to offer financial partnerships with rural communities to create strong economies in all business sectors, allowing new and existing industries, both large and small, to flourish.
- ❑ OneGeorgia is bridging Georgia's economic divide by ensuring balanced growth across the state helping to guarantee that all Georgians have access to economic opportunities in their own communities.

OneGeorgia History

- ❑ Established in 2000
- ❑ Utilizing one-third of Georgia's share of the Tobacco Master Settlement Agreement to assist the state's most economically challenged areas
- ❑ Now funded by state funds, through an annual allotment from the General Assembly

Equity Fund

- **Up to \$500,000 in grant or loan**
 - ❑ Single County project - \$200,000
 - ❑ Two Counties - \$300,000
 - ❑ Three+ Counties with regional support - \$500,000

- **Up to \$1 Million for Regional Projects**
 - ❑ 2 or more counties demonstrating partnership
 - ❑ Intergovernmental Agreement in place
 - ❑ Opportunity for significant regional impact

Equity Fund

➤ GRANT

- Publicly owned assets:
 - Land Acquisition
 - Site Improvements
 - Infrastructure

➤ LOAN – 3%

- Machinery & Equipment - 7 years
- Bricks & Mortar - 20 years with deferment of up to 5 years

OneGeorgia Authority – EDGE program

- ❑ **EDGE – Economic Development, Growth and Expansion**
- ❑ **Specialized economic development tool that may be used to enhance Georgia’s competitiveness in attracting significant economic development projects.**
- ❑ **Provides “deal-closer” funds when one rural Georgia community competes for a business location and/or expansion with another state or country, and it is recommended for this special funding by the Department of Economic Development**

OneGeorgia EDGE

- ❑ Recommendation comes from a state agency whose statutory powers include community and economic development (e.g., the Georgia Department of Economic Development (GDEcD)).
- ❑ Eligible activities include, but are not limited to: (1) public land acquisition and site development, (2) public infrastructure improvements, (3) publicly owned machinery and equipment and (4) publicly owned/privately leased fixed assets and machinery and equipment.

Regional Economic Business Assistance (REBA)

- REBA is similar to EDGE, but is not limited to rural Georgia.
- Application for funding is through the local eligible Development Authority, where the private entity is the beneficiary of the funds.
- Eligible Activities:
 - Publicly owned assets leased to private sub-recipient business: land, buildings, machinery/equipment, telecommunication assets
 - Publicly owned infrastructure: water/sewer improvements, railroad spurs; road improvements, land acquisition, site improvements

Downtown Development Revolving Loan Fund (DDRLF)

- A state funded revolving loan fund
- \$250,000 maximum loan amount
- Assist communities with revitalizing downtowns by providing funding for quality downtown projects
- Interest Rate: Below Market (presently 3%, 2% for Main Street in good standing)
- Repayment Period: 15 years
- Equity injection and commercial financing are normally required (e.g. 50-40-10)
- No application fees or loan origination fees
- Georgia Cities Foundation (subsidiary of GMA works much the same way)

Colquitt Towers (Moultrie): DDRLF Project



Downtown Development Revolving Loan Fund (DDRLF)

Colquitt Towers (Moultrie) \$225,000

<u>SOURCE</u>	<u>AMOUNT</u>	<u>USE</u>	<u>AMOUNT</u>
DDRLF	\$225,00	Acquisition / Renovation	\$225,000
GCF	\$225,00	Acquisition / Renovation	\$225,000
Equity	<u>\$ 460,000</u>	Acquisition	<u>\$ 460,000</u>
Total	\$910,000		\$910,000

Credit Worthiness

- ▣ The state is not a.....

BANK



The State takes “informed risk”

- ❑ Public financing for economic development is most typically “gap financing”
- ❑ State E.D. programs take risk many private lenders won't take or won't take alone
- ❑ As stewards of very limited taxpayer resources, the state must invest in viable projects that will create jobs and investment

RURAL Zones

❑ Job tax credit

- ❑ \$2,000 per new full-time equivalent job per year, up to 5 years and not to exceed \$200,000 total or \$40,000 per year

❑ Investment credit

- ❑ 25% of the purchase price, not to exceed \$125,000 total or \$25,000 per year (2 net new jobs must be created)

❑ Rehabilitation credit

- ❑ 30% of the qualified rehabilitation, not to exceed \$150,000 total or \$50,000 per year (2 net new jobs must be created)

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Georgia Department of Community Affairs



Questions?