

STATE OF GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT

CDBG Section 108 Loan Guarantee Program

PRE-APPLICATION MANUAL

**Office of Economic Development
Community Finance Division
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231**

An Equal Opportunity Employer

INTRODUCTION

This packet contains the information and forms needed in order for a local government to complete and submit a CDBG Section 108 Loan Guarantee Program pre-application. Pre-applications may be submitted for consideration at any time. However, only those pre-applications that obtain sufficient competitive points under the established rating and review procedures will be considered for financing.

The CDBG Section 108 Program is a flexible economic and community development-financing tool. This manual clearly defines the role of the Section 108 as a method of assisting non-entitlement local governments with unique large-scale economic development projects. These projects must represent prudent and sound investments that will return substantial public benefits, but cannot proceed without Section 108 assistance. In order to be considered a project must meet all applicable CDBG requirements and result in significant employment and/or benefit for low and moderate-income persons. Projects that are eligible for financing under existing federal, state, regional or local programs will generally not be considered for Section 108 assistance unless the programs would fail to fully meet a project's need.

Unlike the traditional CDBG or EIP Program, the Section 108 Program does not operate through the issuance of grants or loans by the Department of Community Affairs (DCA). Rather, funds are raised through DCA's "Pledge of Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of debt (notes) issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a local government pledges to DCA to repay the loan while the State pledges its future CDBG funds as a guarantee should a Section 108 loan default.

DCA realizes that the State CDBG Program is a critical and essential funding program for rural Georgia's community and economic development needs. Therefore, due to the limited but real possibility of a loss of future CDBG funds (and subsequent reduction in the number of CDBG grants that can be funded), the Department will use conservative and prudent guidelines in underwriting 108 projects. In order to protect the State's vital CDBG resources, local governments and businesses interested in 108 assistance will be required to assume an appropriate share of the risks. This will generally require that both the local government and benefiting business make appropriate security pledges to DCA to insure repayment of the 108 loan from project and local sources.

Due to the specialized nature of the program's underwriting and the low and moderate income hiring requirement, we encourage potential applicants to contact us to discuss their projects. You may contact the CDBG Section 108 Program Manager at (404) 679-3173 or by writing:

CDBG Section 108 Loan Guarantee Program Manager
Office of Economic Development
Business and Financial Assistance Division
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

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Special Provisions for the CDBG Section 108 Loan Guarantee Program

The following excerpts are taken from the State of Georgia Community Development Block Grant (CDBG) Regulations. These regulations adopted 7/14/99 by the Board of Community Affairs implement various administrative and regulatory requirements mandated by the federal government. The incorporated provisions which affect the CDBG Section 108 Program are as follows:

A. Federal Statute

Title I of The Housing and Community Development Act of 1974, as amended (42 U.S.C. 5300-5320), and those parts of the federal implementing regulations applicable to the State Community Development Block Grant Program (24 CFR Part 570).

B. State Regulation

The Department of Community Affairs' Program Regulations for the Georgia Community Development Block Grant Program, as amended and the Board of Community Affairs' Resolution dated 7/14/99 which created the CDBG Section 108 Program.

C. Program Definition

The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development-financing tool authorized under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended. The program is a method of assisting non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee. In order to be eligible a project must meet all applicable CDBG requirements and result in significant employment and/or benefit for low and moderate income persons. Projects that are eligible for financing under existing federal, state, regional or local programs will generally not be considered for guarantee assistance unless the programs would fail to fully meet a project's need.

Unlike the traditional CDBG or EIP Program, the Section 108 Program does not operate through assistance from the Department of Community Affairs (DCA). Rather, funds are raised through DCA's "Pledge of Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a State pledges its future CDBG funds as the ultimate repayment source should a Section 108 loan default. The State's participation in the Section 108 program does not involve a pledge of Georgia's full faith and credit nor does it commit any funding to the local government. HUD makes the ultimate approval or denial of the federal guarantee.

Since CDBG funds are an essential and critical resource for Georgia's non-entitlement local governments, the Department will use conservative rating, selection and underwriting criteria in evaluating requests for the State's concurrence and Pledge of Grants. Only those projects that DCA determines can generate sufficient revenue from local and project resources to debt service all obligations will be competitive under the State's Section 108 rating and selection system.

D. Eligible Applicants

Eligible applicants for funding under Georgia's Section 108 program are "non-entitlement" units of general-purpose local government. Excluded are metropolitan cities, urban counties and other units of government eligible to participate in HUD's urban counties, or metropolitan cities program. Ineligible applicants under Georgia's program are Albany, Athens-Clarke County Unified Government, Atlanta, Augusta-Richmond County, Clayton County, Columbus Consolidated Government, Cobb County, DeKalb County, Fulton County, Gwinnett County, Macon, Marietta, Roswell, Savannah, and Warner Robins, as well as any incorporated city within a HUD Entitlement Urban County which chooses to participate through a Cooperating Agreement with the Urban County in the HUD Entitlement Program.

E. Eligible Activities

Activities authorized by The Housing and Community Development Act of 1974, as amended. For purposes of the CDBG Section 108 Program, eligible activities are listed in the federal regulations at CFR 570.703. It should be noted that activities are eligible only to the extent that the funded activity creates tangible employment or benefit principally low and moderate income persons. In addition, proposed activities must be based on firm written commitments from local governments and eligible subrecipients. NOTE: For purposes of the Section 108 program, the term "subrecipient" may generally be interpreted as a "business". However, in some cases where Section 108 funds are to be loaned to or passed through a local development authority, the development authority itself would also be a "subrecipient" subject to the same rules and regulations as the benefiting business.

Eligible activities under the Section 108 program are those identified in 24 CFR Part 570.703 which include (but are not limited to): (a) Acquisition of improved or unimproved real property, including acquisition for economic development purposes; (b) Rehabilitation of real property owned or acquired by the public entity or its designated public agency; (c) Payment of interest on obligations guaranteed under the 108 program; (d) Clearance, demolition and removal, including movement of structures to other sites, of buildings and improvements on real property acquired or rehabilitated pursuant to activities a and b of this section; (e) Site preparation, including construction, reconstruction, or installation of public and other site improvements, utilities, or facilities (other than buildings), which is related to the redevelopment or use of the real property acquired or rehabilitated pursuant to activities (a) and (b) of this section, or for an economic development purpose; (f) Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt obligations under the 108 program; (g) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit sub-recipients; (h) The provision of assistance to a private for-profit business, including, but not limited to loans and other forms of support where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in CFR Part 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods ; (i) A debt service reserve to be used in accordance with requirements specified in the contract entered into pursuant to CFR Part 570.705(b)(1); and (j) Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), public streets, sidewalks, and other site improvements and public utilities.

F. Soft Costs and Fees

Local governments interested in obtaining 108 financing must cover their own application preparation and administration costs in order to be competitive. Certain underwriting and issuance costs required by HUD in order to participate in the program are allowable and will not affect an application's competitiveness; however, all "soft costs" not necessary to cover HUD required underwriting and issuance costs are not eligible for inclusion under Section 108 financing and must be paid from non-Section 108 sources. Limited technical assistance will be available from the Department on the preparation of a pre-application and final application.

CDBG Section 108 borrowers will be charged a one-time, upfront financing fee that will be paid to HUD to offset the credit subsidy costs of the guaranteed loan as required in 24 CFR Section 570.712.

G. Low and Moderate Income Person Definition

A low and moderate income (L/M income) person is defined as a member of a family having a combined gross family income (i.e. the full amount of gross income, before deductions, of all family members residing in the household) equal to or less than the Section 8 Housing Assistance Program "lower income limit" established by the U.S. Department of Housing and Urban Development (HUD). Unrelated individuals are considered as separate families.

The Section 8 income guidelines are available for each county and are based on 80 percent of the county's median income or 80 percent of the statewide non-metropolitan median income, whichever is greater, with adjustments for family size. Income guidelines are published each spring and are distributed by HUD and the Department of Community Affairs (DCA). Copies of the guidelines for your county may be obtained by contacting DCA at (404) 679-1589.

Note: Participants in certain job-training and workforce development programs managed by the Georgia Departments of Labor, Technical and Adult Education, and Human Resources can be "pre-qualified" for EIP or Section 108 eligibility. Pre-qualification results in reduced paperwork on the part of the local governments and sub-recipient; Therefore, applicants are greatly encouraged to consider establishing such relationships. Assistance in establishing relationships can be obtained by contacting DCA's Office of Economic Development.

H. Low and Moderate Income Persons Benefit Threshold and Jobs Criteria

For each activity funded under the 108 Program, at least seventy percent (70%) of all proposed beneficiaries and/or jobs to be created or retained as a result of the 108 project must be documented to be created for and able to be "taken by" or retained by persons defined as low and moderate income by DCA. Before project closeout, at least 70% of all jobs created must be documented to have been "taken by" persons defined as low and moderate income.

For certain projects that would provide extraordinary public benefit, job creation, and private investment, the Department may approve a slightly reduced low and moderate income benefit threshold. However, in no event may a specific project's low and moderate income benefit level fall below fifty-one (51%) or a level that the Department determines could cause the State to fall below the CDBG program's mandated program-wide low and moderate income benefit levels contained at CFR Part 570.484

I. Restrictions on Eligibility for Competition

Recipients of prior CDBG funding with outstanding audit, monitoring findings or other program exceptions (including missed Section 108 payments) that involve a violation of federal, state or local law or regulation or have failed to substantially meet their proposed accomplishments in their current CDBG, EIP or other Title I funded projects are ineligible for 108 consideration. In addition, applicants must be in compliance with the Georgia Planning Act, the Service Delivery Strategy Law (H.B. 489), the Georgia Solid Waste Management Act, the Local Governments Audit Act and the DCA Local Government Finance Report requirements.

J. Available CDBG Section 108 Loan Guarantee Financing

The Department may set-aside a five-year, cumulative total of up to twenty percent (20%) of its current and future CDBG allocations plus any CDBG program income for Pledges of Grants that will be used as security for notes and other obligations issued by units of non-entitlement local government pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended.

For certain projects that would provide extraordinary public benefit, job creation, and private investment, the DCA Board of Directors may approve allocation and loan amounts that exceed the twenty percent (20%) set-aside and/or maximum loan guarantee amounts. However, in no event may the amounts pledged exceed the limits contained in CFR Part 570.705(a) or up to five (5) times the amount of its last CDBG grant less the amounts of any unpaid balances previously guaranteed.

A Pledge of Grants does not immediately reduce the State's non-entitlement CDBG allocations, but rather creates an obligation on the part of the State to use its CDBG funds to make payments on behalf of local governments that default on their loan payments to note holders. For any notes backed by the State's Pledges, the Department will require appropriate covenants that transfer an appropriate share of the risk to the benefiting local government and sub-recipient business.

Revenue generated from 108 activities may be placed in a "Section 108 set-aside" and will be used in accordance with 24 CFR Part 570.

K. Maximum Loan Guarantee Amount

\$5,000,000 (In the interest of limiting exposure and promoting a diversified portfolio, the Department reserves the right to limit the amounts "pledged" to any one unit of local government or business interest).

L. Citizen Participation Requirements

The Housing and Community Development Act places emphasis on efforts to involve citizens, especially low and moderate income citizens, in all aspects of the CDBG Program. As required by the Act, the Georgia Department of Community Affairs has adopted a written Citizen Participation Plan which can be found in Section 13 of the State CDBG Program Regulations as adopted by the Board of the Department of Community Affairs on February 17, 1988, as amended.

Applicants for and recipients of Section 108 Loan Guarantees must certify that they will follow this plan which requires that local units of government will provide for and encourage participation in the planning, implementation, and assessment of their CDBG and/or Section 108 program. In order to meet these goals, applicants must, at a minimum, meet the following requirements:

1. Hold at least one (1) public hearing in the locality before submission of a pre-application to DCA. The purpose of the hearing will be to obtain citizenviews and to respond to proposals and questions concerning previous CDBG and/or Section 108 funded projects (if any) and to obtain citizen participation in the development of proposals including identification of community needs and proposed

Citizen Participation Requirements (continued)

activities. The hearing must include the estimated amount of funds proposed to be used for activities benefiting low and moderate income persons and plans to minimize displacement and assist displaced persons. The proposed financing activities must be discussed in sufficient detail to permit a clear understanding of the nature and scope of the financing and the schedule proposed for the City's repayment of the 108 obligation(s).

2. Hold at least one (1) public hearing to discuss the approved activities within sixty (60) days after DCA's approval of a 108 pre-application. The hearing must include: 1) the amount and nature of the local government's obligation(s) approved for guaranty by DCA; 2) the amount of said obligation(s) to be used for activities benefiting low and moderate-income persons; 3) plans to minimize displacement and assist displaced persons; and 3) the schedule proposed for the City's repayment of the 108 obligation(s).

3. Hold at least one (1) public hearing if a local government proposes a substantial amendment to an approved program.

4. At the completion of the project, the recipient shall hold a public hearing on its performance and accomplishments of the project. The recipient shall make the report available to the public and solicit comments on performance before contract close out.

5. A notice of publication advertising each public hearing must be published not less than five (5) days prior to the date of the hearing in the non-legal section of a local newspaper of general circulation. (A sample public hearing notice is included on the following page.) Local governments are encouraged to take other actions to provide adequate notice to potentially interested persons.

6. A copy of the pre-application and application as submitted to DCA and HUD must be available for public review and the public must be notified of its availability for review.

7. Hearings must be held at times and locations convenient to potential or actual beneficiaries and with accommodations for the needs of the disabled.

8. The needs of non-English speaking residents must be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

9. Applicant/recipient files must contain evidence that the actions listed in this section have been taken, including copies of actual notices and minutes of hearings.

10. Citizens must be provided with reasonable and timely access to local meetings, information and records relating to the local government's proposed and actual use of CDBG/Section 108 funds as required by HUD regulations and state law.

12. This section may not be construed to restrict the responsibility or authority of the local government for the development and execution of its community development program.

13. The applicant must certify in the Certified Assurances component of the application (Form DCA-10) that the requirements under items 1 through 12 have been met.

Citizen Participation Requirements (continued)

Citizen Participation Requirements (Sample Public Hearing Notice)

The (City or County) of _____ is considering applying to the Georgia Department of Community Affairs (DCA) for a Section 108 Loan Guarantee / Pledge of Grants of up to \$ _____ (amount) . Section 108 loans must generally be used for the following purposes:

1. _____ to benefit low and moderate income persons; or
2. _____ to aid in the prevention or elimination of slums or blight; or
3. _____ to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. The applicant must certify and the Georgia DCA and HUD must concur that such conditions exist.

The activities for which these Section 108 funds may be used are in the area of economic development. More specific details regarding eligible activities, plans to assist displaced persons, the estimated amount of funds proposed to be used for activities to benefit low and moderate income persons, and the proposed repayment schedule will be provided at a public hearing which will be held at (place/address) on (date), at (time).

The purpose of this hearing will be to inform citizens regarding the development of the application and to review progress on the previous CDBG grants or Section 108 loan(s) (if applicable). Persons with special needs relating to handicapped accessibility or foreign language shall contact (name/phone) before (date). This person can be located at (complete address) _____ between the hours of (hours) , Monday through Friday, except holidays.

NOTE: The applicant shall maintain detailed minutes of this hearing, a "tearsheet" or affidavit pertaining to the public notice and documentation as to whether or not "special needs" were required and, if applicable, addressed.

M. Application Procedures

Local governments interested in applying to HUD for a loan guarantee must first apply to DCA in order to obtain the State's concurrence and Pledge of Grants.

The application procedure for the Section 108 Program includes a pre-application and final application phase. Final applications may only be submitted following a written invitation from the Department. The purpose of the pre-application will be to underwrite, evaluate and score a proposed project to determine if the proposed project meets the requirements for the State's concurrence, guarantee and Pledge of Grants. The purpose of the final application will be for the Department to approve the final form of the local government's application to HUD and negotiate any local certifications, credit enhancements and other understandings required as a condition of the State's Pledge of Grants approval.

Local governments may submit pre-applications for consideration at any time. Pre-applications and Applications may be submitted individually by one unit of general-purpose local government, or jointly, by two (2) or more units of general-purpose local government. Joint submissions must contain a copy of the Cooperating Agreement entered into by the cooperating units of government. The Agreement should designate the unit of local government that will serve as lead applicant.

Application Procedures (continued)

Pre-applications and applications for the 108 program must be submitted in conformance with the format and applicable instructions specified by the Department of Community Affairs Section 108 pre-application manual and application guidelines.

N. Rating and Selection Process

- a) Upon receipt of a Pre-application under this program, staff will review the pre-application for completeness and for evaluation against the various rating and selection factors.
- b) For purposes of this program, the rating and selection factors shall be those specified in this section and any additional and/or supplemental information, data, analyses, documentation, commitments, assurances, etc. as may be required or requested by the Department for purposes of evaluating, rating, and selecting applicants under this program. Applications that contain insufficient information or documentation to be evaluated may be returned to the locality without further review.
- c) The staff may conduct site visits and hold discussions with applicants and proposed sub-recipients for the purposes of confirming and evaluating information contained in the pre-application or application. The staff may consult with other appropriate government and private entities in the course of reviewing and evaluating information contained in pre-applications and final applications.
- d) The scores obtained for the various selection factors will be totaled and only those applicants with scores of at least 325 points will be considered for a Pledge of Grants.

Rating Factors

Section 108 Applications will be rated and scored against each of the following factors:

<u>Review Factors</u>	<u>Maximum Points Available</u>
Demographic Need	090 points
Program Feasibility	120 points
Program Impact	120 points
Program Strategy	120 points
Bonus (for Credit Enhancement)	<u>25 points</u>
Total Available Points	475 points

a) Demographic Need (90 points)

- 1) Absolute Number of People in Poverty (30 points)

All eligible local governments will be compared in terms of the absolute number of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government's absolute number of persons in poverty by the greatest number of persons in poverty of any eligible local government and multiplying by 30.

- 2) Percent of People in Poverty (30 points)

All eligible local governments will be compared in terms of the percentage of people whose incomes are below the poverty level. Individual scores will be obtained by dividing each government's percentage of persons in poverty by the highest percentage of persons in poverty of any eligible local government and multiplying by 30.

Rating and Selection Process (continued)

3) Per Capita Income (30 points)

All eligible local governments will be compared in terms of their per capita income. Individual scores will be obtained by dividing each government's per capita income into the lowest per capita income of any eligible local government and multiplying by 30.

Demographic scores will be based on the latest available data, consistent as of the same point in time for each factor. Scores will be based on county data.

b) Program Feasibility (120 points)

The following factors will be considered:

- 1) Local government’s financial condition ;
- 2) Local social-economic conditions and need ;
- 3) Organizational status of development agency or sub-recipient business;
 - i) Reputable history for business and all related entities?
 - ii) Credit History;
 - iii) Litigation;
 - iv) Government Findings and/or Sanctions;, etc.
- 4) Is the proposed business or development concept/product/service proven or does the proposal represent an untried business model? Does (or can) the concept/product/service meet standards for acceptability, affordability, availability and awareness ?
- 5) Does the proposed Section 108 investment/purpose contain the basis for its repayment?
- 6) Is the development agency’s or sub-recipient business’ historical performance and standing secure in the following areas: capital management, debt capacity, management character & experience, collateral value, economic and market conditions?
- 7) Is the development agency’s or sub-recipient business’ proposed development or business plan reasonable and does it use reasonable assumptions in the following areas: capital investment; debt service capacity, management ability, collateral value, industry analysis, response to future economic and market conditions?
- 8) (real–estate projects) Does the proposed development team have a successful record of accomplishment? Developer? Contractor? Architect? Leasing Agent? Property Manager? Syndicator? Construction Manager? Interim and Permanent Lenders?
- 9) Does the proposed project comply with the CDBG regulations and guidelines for “appropriateness”, underwriting, and public benefit?
- 10) Are all project costs verified through either original source documents, architectural and engineering reports, or a MAI or other certified appraisal acceptable to DCA?
- 11) Is the balance of all financing sources verified and committed?
- 12) Is all required real-estate available, have clear title, and under proper option?
- 13) Is the development agency’s or sub-recipient’s investment and job commitment letter in the proper format?
- 14) Are all needed architectural plans, engineering reports, plans, and specifications completed and approved by appropriate authorities?
- 15) Can the project be carried out in accordance with all applicable federal, state, and local law, regulation and permitting requirements?

Feasibility points will be awarded by a review panel based on the point thresholds outlined below:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

Rating and Selection Process (continued)

c) Program Impact (120 points)

The following factors will be considered:

- 1) Number of jobs created and/or retained;
- 2) Section 108 cost per job;
- 3) Availability of jobs to low/mod income persons;
- 4) Quality of jobs and employee benefits (health, retirement, leave, etc.); and
- 5) Project's impact on local unemployment rates;
- 6) (if applicable) Project's impact on blighting conditions that threaten public health and safety or impede economic development.

Impact points will be awarded by a review panel based on the point thresholds outlined below:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

d) Program Strategy (120 points)

The following factors will be considered:

- 1). Documentation that the proposed project is not eligible under existing federal, state, regional or local economic development financing programs or else the programs would fail to fully meet the project's need;
- 2). Documentation that the proposed project represents a unique, large-scale project that will further the objectives of Title I of the Housing and Community Development Act;
- 3) Documentation that the local government will assign certain responsibilities under 108 to the State to insure efficient credit monitoring, sub-recipient loan servicing and 108 loan payments ;
- 4) The ratio of private equity and investment to Section 108 funds ;
- 5) Documentation that the sub-recipient business or development agency will generate sufficient revenue and that sufficient credit enhancements are in place to reasonably insure that the Section 108 loan can be amortized without any risk to future CDBG allocations ;
- 6) Documentation that the public benefits to be achieved are reasonable and to the extent practicable Section 108 funds will not substitute for other available funds ;
- 7) Adequacy of financing strategy ;
 - Repayment ability;
 - Rate;
 - Term (maximum consideration for terms less than 10 years) ;
 - Type (maximum consideration for permanent financing. Users that provide their own construction financing will be most competitive).
 - Collateral and Security;
- 8) Validity of sub-recipient's commitment to fulfill hiring and investment commitments ;
- 9) Project's conformance to: i) local and regional plans; ii) service delivery strategy and iii) the Georgia Planning Act;
- 10) Project's conformance to federal, state, and local laws and regulations; and
- 11) Relationship to overall objectives of the Section 108 and CDBG Program, including the extent of benefit to persons of low and moderate income.

Rating and Selection Process (continued)

Strategy points will be awarded by a review panel based on the point thresholds outlined below:

Level One	(poor)	00.0
Level Two	(below average)	30.0
Level Three	(average)	60.0
Level Four	(good)	90.0
Level Five	(excellent)	120.0

e) Bonus for Pledge of Assets and/or Credit Enhancement (25 points)

Localities which have a local Revolving Loan fund (RLF) capitalized with EIP or CDBG proceeds, federal Economic Development Initiative (EDI) or Brownfield (BEDI) grants or other assets may, at their discretion, pledge those assets as a “loan loss reserve” or other security or credit enhancement in order to boost the competitiveness of their 108 application. Likewise, borrowers may also receive bonus points for agreeing to provide other credit enhancements such as stand-by letters of credit, guarantees or other recourse instruments. The consideration will consist of a maximum of an extra 25 points for use in the State’s Section 108 “Pledge of Grants” decision.

O. Invitation to Submit a Final Application

The points received by a pre-applicant on the rating factors will be totaled. In order to receive an invitation to submit a final application, a pre-application must receive at least 325 points. In cases where fundable pre-applications exceed available funds, the pre-applicant with the highest number of jobs benefiting low and moderate income persons will be given priority. Final Application approval will be handled as follows:

- a) Final applications are invited only for those projects that meet the pre-application threshold requirements;
- b) The locality submitting the Section 108 final application must hold public hearing(s) in accordance with the requirements of HUD and Georgia’s CDBG program;
- c) Final applications for the Section 108 program must be submitted in conformance with CFR Part 570.704 and the format and applicable instructions specified by the Department of Community Affairs and the U.S. Department of Housing and Urban Development;
- d) The final application review will ensure that all appropriate funding criteria have been considered, and the overall benefits to be achieved warrant the State’s concurrence, acceptance of the responsibilities outlined in CFR Part 570.710 and “Pledge of Grants”;
- e) Upon approval by DCA, the Final Application will be placed in its final form by the applicant local government and submitted to HUD for their review with assistance from DCA. It should be noted, that DCA reserves the right to ask local governments to submit their applications without the State’s Pledge of Grants in cases where the final security requirements or other issues are unknown. In such cases, the State’s Pledge of Grants would be forthcoming to HUD upon the successful negotiation of a security arrangement and repayment schedule acceptable to the State.

P. CDBG Section 108 Loan Guarantee Performance Thresholds

Local governments and businesses that default on a loan payment under the 108 program shall be sanctioned and immediately become ineligible to compete for or receive any DCA grant or loan until the State is “made whole” in regards to its CDBG loss .

Q. Open Records Statute

Georgia Law requires that "all state, county, and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen" (O.C.G.A. § 50-18-70). This means that past and current records on the use of CDBG/Section 108 funds are required to be open for public inspection.

However, certain proprietary information which is required by DCA to be included in an economic development application and must be supplied by a business in order to compete and which constitutes a "trade secret" (O.C.G.A. § 10-1-740 et seq.; 16-8-13(a)(4)) is exempt from disclosure under O.C.G.A. § 50-18-70.

R. Schedule Of Applicable Laws And Regulations

It is the responsibility of the Section 108 Applicant's certifying official to ensure that the proposed activities, goals, and timetables comply with all applicable Federal and State laws, regulations and executive orders. The major applicable laws, regulations and executive orders which could impact the implementation of an Section 108 project include, but are not limited to those on the following list:

GENERAL:

1. The Housing and Community Development Act of 1978, as amended and as implemented by the most current HUD regulations (24 CFR, Part 570)
2. State of Georgia Community Development Block Grant Program Regulations
3. Title 50, Chapter 18, Article 4, Official Georgia Code, Georgia Open Records Act
4. Program Regulations Georgia CDBG Program - Small Cities - Non-Entitlement Program, published by the Georgia Department of Community Affairs

FINANCIAL MANAGEMENT:

5. 24 CFR, Part 85 ("Common Rule")
6. Federal OMB Circular A-133
7. Federal OMB Circular A-87

CIVIL RIGHTS:

8. Title VI - Civil Rights Act of 1964
9. Section 109 - Title I - Housing and Community Act of 1974
10. Title VIII of the Civil Rights Act, 1968
11. Section 504 of the Rehabilitation Act of 1973
12. Executive Order 11246 - Equal Employment Opportunity, as amended by Executive Order 11375
13. Executive Order 11063 - Equal Employment Opportunity, as amended by Executive Order 12259
14. Section 3 of the Housing and Development Act of 1968, as amended Section 118 of Title I, Community Development and Housing Act, 1974
15. Georgia Department of Community Affairs Civil Rights Compliance Certification
16. Age Discrimination Act of 1975
17. Executive Order 12432: National priority to Develop Minority and Women Owned Businesses

LABOR STANDARDS:

18. The Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations
19. The Davis-Bacon Act (40 U.S.C. 276(a) to (a-7), as supplemented by Department of Labor regulations
20. The Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented by Department of Labor regulations

ACQUISITION/RELOCATION:

21. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. (46 U.S.C. 4601) and regulations at 24 CFR, Part 42
22. The Georgia Relocation Assistance and Land Acquisition Policy Act of 1973
23. The Georgia Urban Redevelopment Law (OCGA, Section 36-61-1, et. seq.)

HOUSING:

24. The Truth in Lending Act (Regulation Z)
25. Title I Consumer Protection Act (P.L. 90321)
26. The Lead Base Paint Poisoning Prevention Act (42 CFR, Parts 35 & 570)
27. Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et. seq.)
28. Georgia Industrial Building Act of 1982, as amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 "Industrialized Buildings"; Part 2 "Manufactured Housing (Mobile Homes)
29. Georgia State Energy Code

ENVIRONMENTAL:

30. The National Environmental Policy Act (NEPA) of 1969 implemented by Executive Order 11514 of March 5, 1970, as amended by Executive Order 11991 of May 24, 1977 and the Council on Environmental Quality's (CEQ) NEPA Regulations, 40 CFR, Parts 1500-1508
31. Environmental Review Procedures for the CDBG Program, HUD, (24 CFR, Part 58)
32. The National Historic Preservation Act of 1966 as amended; particularly Section 106 and the Regulations of the Advisory Council on Historic Preservation
33. Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971; particularly Section 2(c)
34. The Reservoir Salvage Act of 1960; particularly Section 3, as amended by the Archeological and Historic Preservation Act of 1974
35. Flood Disaster Protection Act of 1973 as amended; particularly Sections 102(a) and 202(a)
36. Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et. seq.) particularly Sections 2 and 5
37. Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 56961 et. seq.) particularly Section 2(a)
38. Georgia Air Quality Act of 1978 (O.C.G.A. Section 12-9-1, et. seq.) to regulate air pollution and protect air quality
39. Shore Assistance Act of 1977 (O.C.G.A. Section 12-5-230, et. seq.)
40. Georgia Hazardous Waste Management Act (O.C.G.A. 12-8-60, et. seq.)
41. Georgia Health Code (O.C.G.A. 31-3-1, et. seq.) regulates individual sewerage treatment systems
42. The Coastal Zone Management Act of 1972 as amended; particularly Section 307(c) and (d)
43. The Safe Drinking Water Act of 1974 as amended; particularly Section 1424(e)
44. The Endangered Species Act of 1973 as amended; particularly Section 7
45. The Archeological and Historic Preservation Act of 1974
46. The Coastal Resources Barriers Act of 1982, as amended
47. The Wild and Scenic Rivers Act of 1968 as amended; particularly Section 7(b) and (c) (16 U.S.C. 1278(b) and (c))

ENVIRONMENTAL (continued):

48. The Clean Air Act Amendments of 1970 (P.L. 91-604, 42 U.S.C. 7401 et. seq.) as amended, particularly Section 176(c) and (d) (42 U.S.C. 7506(c) and (d))
49. HUD Environmental Standards (24 CFR, Part 51) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979)
50. Georgia Coastal Marshlands Protection Act of 1970 (O.C.G.A. Section 12-5-280, et. seq.) to protect the ecology of marshlands/wetlands.
51. Georgia Groundwater Use Act of 1972 (O.C.G.A. Section 12-5-170, et. seq.)
52. Georgia Safe Drinking Water Act of 1977 (O.C.G.A. Section 12-7-1, et. seq.).

S. Conflict Of Interest Prohibitions

In general, no person who is an elected or appointed official, employee, agent, consultant, officer or any person serving in a similar capacity with any participating public agency, that exercise or have exercised any functions or responsibilities with respect to any Section 108 activities can benefit from a local Section 108 project. Those persons who are in a position to participate in a decision-making process or gain inside information regarding Section 108 proposed or related activities, who may obtain a personal, financial interest, or benefit from the project, or have any interest in any contract, subcontract or agreement with respect to any Section 108 project are also prohibited from benefiting from a Section 108 project. The prohibitions against benefiting from a Section 108 project would apply to the covered individuals or those with whom they have family or business ties, for one (1) year following their tenure in the covered position.

T. Technical Assistance Policy

The Department of Community Affairs will provide technical assistance on request from the unit of local government interested in submitting a Section 108 application. Please note that any assistance provided will be in the form of general guidance and information at the pre-application stage. The Staff of DCA cannot actually write pre-application or application proposals for local governments.

STATE OF GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG Section 108 LOAN GUARANTEE PROGRAM

Pre-Application Forms

Office of Economic Development
Community Finance Division
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

Joanie Perry
joanie.perry@dca.ga.gov
(404) 679-3173

Georgia Department of Community Affairs CDBG Small Cities Program CDBG Section 108 Loan Guarantee Pre-Application		
Request is hereby made for the State's concurrence and Pledge of Grants in order to enable the Legal Applicant to apply for a loan as allowed under the Housing and Community Development Act of 1974, as amended; 24 CFR, Part 570.700; and the Program Regulations of the Georgia CDBG Loan Guarantee Program, as published by the Georgia DCA.	Leave Blank – DCA use only	
	Date Received	Application Number
Legal Applicant / Primary Borrower (all pre-applications)	Development Authority/Agency (if applicable)	Proposed Subrecipient/Business (if applicable)
1. Name of Applicant: 2. Address: 3. Telephone #: Fax #: 4. County:	5. Name of Agency/Authority: 6. Contact Person: 7. Address: 8. Telephone #: Fax #:	9. Name of Business: 10. Contact Person: 11. Address: 12. Telephone #: Fax #:
13. Brief Title and Description of Program	Type of Applicant (Check One)	
	14. City Applicant <input type="checkbox"/> 15. County Applicant <input type="checkbox"/> 16. Joint Applicant <input type="checkbox"/> 17. Regional Application <input type="checkbox"/> If this is a submission by a joint or regional applicants, please attach a copy of your Cooperating Agreement.	
19. Program Period: Month Day Year to Month Day Year	18. Location Map: (check) Enclosed <input type="checkbox"/> 20. CDBG Loan Guarantee Amount Requested: \$	
Program Category: Economic Development * Note: This Form, DCA-1Q, is for use with the CDBG Loan Guarantee Program*		
I, the undersigned, authorized representative of the applicant, certify that to the best of my knowledge and belief, data in this application is true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with all applicable laws, regulations, certifications and assurances, if assistance is provided.		
21. Signature of Authorized Representative	22. Name & Title of Authorized Representative	23. Date Signed

**CDBG SECTION 108 LOAN GUARANTEE APPLICATION SUPPLEMENTS FOR LEVEL ONE LOANS
(REQUIRED FOR ALL PROJECTS)**

EXHIBITS WHICH SHOULD BE INCLUDED:

- A. Local government's three (3) most recent fiscal year audits;
- B. Local government's unaudited accounting data including trial balance and general ledger or other information that lists ending balances for general operating, enterprise, and various debt service funds. (for current or other fiscal years where a certified audit has not yet been completed);
- C. Local government's most recent annual operating budget;
- D. Schedule of local government's currently outstanding debt, bond, intergovernmental contract, and lease obligations that require periodic payments. (see attached schedule);
- E. Schedule of local government's most recent fiscal year tax base including: 1) assessed value of taxable real and personal property (less automobiles); 2) fair market value of taxable real and personal property (less automobiles); 3) property taxes levied; and 4) property tax collected;
- F. Copies of any local ordinances and/or resolutions creating and/or implementing special tax districts; business or community improvement districts, redevelopment districts, and/or tax increment financing districts that will generate tax revenue which will be used in whole or part to amortize loans guaranteed through Section 108 financing;
- G. Analysis of additional debt service requirement that CDBG Section 108 loan would place on local government's debt service capacity (see attached capacity analysis);
- H. Synopsis of Project. Indicate: who will receive benefits of Section 108 financing; what the Section 108 proceeds will be used for; the amount of financing needed to implement the total project; where the project will take place; when the project will be implemented; and how the Section 108 financing will be packaged and administered. Also indicate how the project will qualify under the CDBG program's national objectives;
- I. Documentation of various credit enhancements (including federal, state or local grants or loans) that are available for use in conjunction with this project ;
- J. Source and Use Statement (see sample format);
- K. Purchase Option or Sales Agreement on any real estate needed to undertake the project;
- L. Appraisal(s) of any real estate to be financed;
- M. Plans, Written Cost Estimates and Proposals on all proposed construction and renovation;
- N. Financial Commitment Letter(s) from participating financial institution(s). The letter(s) should indicate the amount, rate, term, and any contingencies associated with the financial institution's loan. (see sample format);
- O. List of Available Collateral with prior liens and mortgages noted;

**SECTION 108 APPLICATION SUPPLEMENTS FOR LEVEL TWO LOANS
(INVOLVING SUBRECIPIENT LOANS/LEASES)**

EXHIBITS WHICH SHOULD BE INCLUDED:

- A. Synopsis of Project: Indicate: who will receive benefits of Section 108 financing; what the Section 108 proceeds will be used for; the amount of financing needed to implement the total project; where the project will take place; when the project will be implemented; and how the Section 108 financing will be packaged and administered.
- B. Business Plan: Provide a business plan and brief history and description of the business. Include information concerning: the type of business, products, marketing information, major customers, competitive position in the industry, size of the market, primary competitors, stability of the market, seasonality of the market, price/quality of product, major distribution channels, etc.
- C. Source and Use Statement (see sample format). Purchase Option or Sales Agreement on any real estate needed to undertake the project.
- D. Appraisal(s) of any real estate to be financed.
- E. Plans, Written Cost Estimates and Proposals on all proposed construction, renovation. For machinery & equipment purchases include Price Quotes from appropriate vendors.
- F. Financial Commitment Letter(s) from participating financial institution(s). The letter(s) should indicate the amount, rate, term, and any contingencies associated with the financial institution's loan. (see sample format)
- G. Commitment Letter(s) from participating business(es). The letter(s) should indicate the number of full-time jobs which will be created/retained and the percentage of the jobs that will be held for low and moderate income persons. (see sample format)
- H. Description of New Jobs by salary range and skill level required (include benefits available, such as health, retirement, leave, etc.).
- I. List of Available Collateral with prior liens and mortgages noted.
- J. Financial Statements: Provide balance sheets and income statements for the past three years. Also provide a pro-forma balance sheet and projected income statements for one year or until break even point is achieved. If financial statements are unaudited, also provide copies of company's federal tax returns and related schedules.
- K. Interim Financial Statements (less than 60 days old).
- L. Cash Flow Projections for two (2) years.
- M. List of Affiliates or Subsidiaries: Organizational documents for applicant company and Certificate of Existence on corporations from Secretary of State's Office.
- N. Resumes of Principals & Key Management Personnel (include Social Security Number(s)).
- O. Personal Financial Statement of the owner or each partner or stockholder owning 20% or more of the voting stock in the corporation.
- P. Schedule of Subrecipient's Existing Debt (see sample format).

ECONOMIC DEVELOPMENT PROGRAM
 SAMPLE COMPANY COMMITMENT LETTER FOR PUBLIC INFRASTRUCTURE
 COMMITMENT TO CREATE/RETAIN JOBS

(to be completed on company letterhead and addressed to applicant)

DATE

Dear:

Contingent only upon a Section 108 loan under the State CDBG Program and availability of the same to (local government applicant) as provided for in the application of (local government applicant), the (developer, industry, company, business, corporation, etc.) hereby commits to the (local government applicant) to (describe proposed project, specify construction, expansions, etc.) at a total investment cost of approximately \$ (amount). The proposed financing sources are (name each source and dollar amount). The \$ (amount) in Section 108 Funds will be used to (describe use of funds) as provided for in the application.

(Developer, industry, company, business, corporation, etc.) further commits to create and/or retain (specify) (number) full-time permanent jobs, (number) of which will be available to low and moderate income persons. We will initiate project activities on or about (date) and complete the same on or about (date). We will provide the applicant with a construction schedule upon initiation of project activities and documentation of hiring, including evidence of low and moderate income hiring within ninety (90) days of project completion.

(Developer, industry, company, business, corporation, etc.) also hereby commits, as beneficiary of an Section 108 financed public facility or infrastructure, to provide an Irrevocable Standby Letter of Credit (L/C) in the amount of the grant award, should the public infrastructure project be funded. We understand that the purpose of the L/C is to warrant our commitments to invest and create employment opportunities.

Sincerely,

(signature of official or officer
 authorized to make commitment)

ECONOMIC DEVELOPMENT PROGRAM
SAMPLE COMPANY COMMITMENT LETTER FOR DIRECT LOAN
COMMITMENT TO CREATE/RETAIN JOBS

(to be completed on company letterhead and addressed to applicant)

DATE

Dear:

Contingent only upon the receipt of a Section 108 loan under the State CDBG Program and availability of the same to (developer, industry, company, business, corporation, etc.) as provided for in the application of (local government applicant), the (developer, industry, company, business, corporation, etc.) hereby commits to the (local government applicant) to (describe proposed project, specify construction, expansions, etc.) at a total investment cost of approximately \$ (amount). The proposed financing sources are (name each source and dollar amount). The \$ (amount) in Section 108 Funds will be used to (describe use of funds) as provided for in the application.

(Developer, industry, company, business, corporation, etc.) further commits to create and/or retain (specify) (number) full-time permanent jobs, (number) of which will be available to low and moderate income persons. We will initiate project activities on or about (date) and complete the same on or about (date). We will provide the applicant with a construction schedule upon initiation of project activities and documentation of hiring, including evidence of low and moderate income hiring within ninety (90) days of project completion.

(Developer, industry, company, business, corporation, etc.) also hereby commits to repay the \$(amount) in Section 108 funds as provided for in the application.

Sincerely,

(signature of official or officer
authorized to make commitment)

FORM DCA-11 – COOPERATING AGREEMENT
Sample Format
COOPERATING AGREEMENT
(For joint or regional applications only)

This Agreement, entered into between (name of jurisdiction) and (name of jurisdiction), does hereby provide for said jurisdiction to jointly apply for a “Pledge of Grants” from the Department of Community Affairs.

The (name of jurisdiction) and (name of jurisdiction) do mutually agree that (name of jurisdiction) is hereby authorized to act as the lead agency, and thereby responsible for compliance with applicable State and Federal requirements of the Georgia Small Cities CDBG/Section 108 program.

Adopted by the (name of jurisdiction)
on (date):

(signature of chief elected official)

By: _____
(type name and title of chief elected official)
Attest:

(signature of clerk or other authorized official)

By: _____
(type name and title)

(seal)

Adopted by the (name of joint applicant)
on (date):

(signature of chief elected official)

By: _____
(type name of chief elected official)
Attest:

(signature of clerk or other authorized official)

By: _____
(type name and title)

(seal)

ECONOMIC DEVELOPMENT AND SECTION 108 PROGRAM
 REQUIRED SUPPLEMENTAL INFORMATION AND DOCUMENTATION

Applicant:

Amount of Guarantee Requested: \$

Total Project Cost:

 1) JOB CREATION/RETENTION

- total number of existing jobs:
- total number of jobs to be created: *
- total number of jobs to be retained: **
- number of jobs created for low/mod income persons: ***
 percent of total: %
- number of jobs retained for low/moderate income persons: ***
 percent of total: %
- 108 dollars per job created: \$
- 108 dollars per job retained: \$

Describe the methodology to be utilized for ensuring the number of jobs listed above for low and moderate income persons: (provide documentation where applicable). Applicants should note that jobs paying minimum wage do not necessarily qualify as low and moderate income jobs. Individual family income levels adjusted for family size at the time of application for employment determine qualification.

* permanent full-time positions of at least one year's duration (except in certain cases of agricultural businesses whose operations are necessarily seasonal, DCA will consider as permanent any full-time job of at least twelve (12) consecutive weeks' duration, and will count it as the equivalent of one-fourth (1/4) of a permanent job).

For example, if an agricultural business proposed to employ 100 persons, each for twelve (12) full-time consecutive weeks, the number of jobs created would be counted as 25. Likewise if 100 persons were to be employed each for 24 full-time consecutive weeks, the number of jobs created would be counted as fifty (50).

** For retained jobs, the application should contain summary information on the number and percent of the retained jobs which are held by low and moderate income individuals. This would normally require that workers be surveyed prior to the application being submitted.

*** Should meet the 70% minimum benefit to low and moderate income persons (i.e., at least 70% of the jobs created or retained must be for low and moderate income persons).

2) UNEMPLOYMENT DATA*

- number of persons in the workforce unemployed:
- percent of persons in workforce unemployed: %
- source of data (provide documentation)

Analyze and describe the impact on unemployment, both in actual numbers and percentages, of the proposed project:

*This data should be for the applicant's jurisdiction. If other, please note and explain.

3) PRIVATE INVESTMENT*

- dollar amount of private equity investment: \$
- source(s):

- dollar amount of private debt financing: \$
- source(s):

- private equity and private debt financing as percent of total project: %
- private to CDBG funds leverage ratio:
- private to CDBG/other public funds leverage ratio:

*private investment and financing must be documented by letters of commitment.

4) OTHER PUBLIC INVESTMENT*

- amount: \$
- source(s):

- other public investment as percent of total project: %

*other public investment must be documented by grant awards, grant commitments or letters of commitment.

5) ESTIMATED TAX REVENUE

- total estimated taxes to be generated (for one year)

Local taxes: \$

State taxes: \$

Federal taxes: \$

taxes generated per CDBG dollar requested: \$

Describe the methodology for calculating the estimated tax from each source:

6) RECAPTURE PROVISIONS

Describe the rate, terms, period and other applicable elements of the loan repayment (be specific and detailed);

Any direct assistance to private for profit entities must be "recaptured".

7) Credit Enhancements

Describe the proposed use of any grants or pledge of local assets (be specific and detailed) that will enhance the security of the proposed 108 loan; also describe what local agency, staff member, or department will have oversight responsibilities for administration of the "enhancement funds".

8) COMMITMENT LETTERS

All applications must be accompanied by letters of commitment from participating financing entities, other participating agencies and the private sector partner (developer, industry, company, business, corporation, etc.).

SOURCE and USE STATEMENT
EXHIBIT C

USES	AMOUNT
Acquisition of Land	\$
Site Improvements	\$
Construction of Building	\$
Purchase Machinery & Equipment	\$
Other:	\$
Other: _____	\$
Other: _____	\$
 TOTAL PROJECT COST	 \$

Funds will be provided by the following sources:

SOURCES	USES	AMOUNT	RATE	TERM	ANNUAL DEBT SERVICE
_____	_____	_____	_____ %	_____ years	\$ _____
_____	_____	_____	_____ %	_____ years	\$ _____
_____	_____	_____	_____ %	_____ years	\$ _____
_____	_____	_____	_____ %	_____ years	\$ _____
_____	_____	_____	_____ %	_____ years	\$ _____
_____	_____	_____	_____ %	_____ years	\$ _____
(Section 108 Loan)					
_____	_____	_____	_____ %	_____ years	\$ _____
(Local/Owners Equity Injection)					
TOTAL FINANCING SOURCES					\$

Schedule of Existing Debt

Creditor	Original Date	Original Amount	Present Balance	Interest Rate	Monthly Payment	Maturity Date	Collateral	Status (Current, Delinquent)
----------	---------------	-----------------	-----------------	---------------	-----------------	---------------	------------	------------------------------------

Totals
Comments:

Signature:

Date:

FORM DCA-9

ENVIRONMENTAL REVIEW INFORMATION

General Instructions:

If funded, all CDBG and CHIP Projects will be subject to a local environmental review process that must be completed prior to the obligation of **any** funds for the project.

This form identifies environmental compliance issues requiring special attention by the applicant. Detailed instructions concerning the review process is provided at the Recipients Workshop.

Compliance with the environmental review process (especially floodplain, wetland and historic preservation compliance requirements) should be reflected in the Description of Activities, the Budget Summary and Budget Analysis.

Floodplain and Wetland Compliance:

Applicants must determine if the project is located in or will affect a floodplain or wetland area. Applicants may consult local FEMA floodplain maps, Georgia Department of Natural Resources Floodplain Section (404-656-6382), the US Fish and Wildlife Service (404-331-3580), your local RDC or DCA for assistance in identification of floodplains or wetlands.

- | | | | |
|---|-----|--------------------------|--|
| | | <i>(Circle Response)</i> | |
| 1) Is the project located within a designated floodplain? | YES | NO | |
| 2) Is the project located within a designated wetland? | YES | NO | |
| 3) Is the community participating in the FEMA National Flood Insurance Program? | YES | NO | |
| 4) List activities to be carried out in the floodplain or wetland: | | | |

Cultural Resources:

The following information will be used by the Historic Preservation Division (HPD) of the Department of Natural Resources to make a preliminary assessment of any project effects on historical, architectural, and/or archaeological resources that are listed or eligible for listing on the National Register of Historic Places. This review is required for compliance with Section 106 of the National Historic Preservation Act of 1966, as amended.

DCA encourages applicants to complete an early review by HPD to identify compliance issues. Since compliance with Section 106 of the NHPA may affect project schedules and budget, the applicant is advised to address this factor on forms DCA-5, DCA-7 and DCA-8.

The questions on the following two pages should be answered after defining the project's **area of potential effects**, that is, "the geographic area or areas within which an undertaking may cause changes in the character or use of historic properties, if any such properties exists" [36 CFR 800.16(d)].

Archaeological Information:

- 1) Does the project include any ground disturbing activities (i.e. ditching, cut and fill, excavations, utility burial, grading, landscaping, etc.)?

YES NO If NO, continue on to the next section.

2) Are there any known or suspected archaeological or "Indian" sites in the project area?
YES NO If YES, explain:

3) In the past, the property has been used for (circle all that apply):

- Farming
- Pasture
- Mining
- Timbering
- Road construction
- Housing
- Landfill
- Commercial
- Other (explain)

4) Describe the condition of the soil (i.e. inundated, saturated, graded, cultivated, eroded, undisturbed, etc.):

Building and Structure Information:

1) Is the project located within or adjacent to a National Register listed or eligible historic district?

YES NO DO NOT KNOW

If YES, the name of the district is:

[Note: The National Register of Historic Places is maintained by the U.S. Department of the Interior, and administered in Georgia by HPD.]

2) Are there any other buildings or structures 50 years of age or older presently in the project area?
YES NO

3) Are there any other buildings or structures 50 years of age or older in the immediate vicinity (within 400 feet or visual distance) of the project area?

YES NO

4) Are any of the buildings or structures identified above listed or eligible for listing in the National Register?

YES NO DO NOT KNOW

Photographs, maps and other information requested:

If the answer to 2 and/or 3 under Buildings and Structures Information is YES, the applicant should include photos (35mm) of the resources in their settings, keyed to a map or site plan, as well as additional information (if available) such as an assessment of their historical or architectural importance, estimated date of construction and the source of this information. If this information has already been provided to HPD, please indicate the status of their review and include any correspondence you have received. This may be provided in lieu of the photos and other information.

If Assistance is needed:

Many Regional Development Centers have preservation planners who may be able to assist in gathering appropriate information. Contact your RDC for assistance. For further information, applicants may also contact the Historic Preservation Division prior to submittal of the application to DCA. Their phone number is 404-656-2840.

Credit Authorization
For Level Two Loans Involving Subrecipient Loans/Leases

In connection with _____'s application to DCA for assistance, I authorize DCA to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I further authorize DCA to receive information, documents, credit reports, summaries, etc. received by other lenders in connection with any additional financial assistance I am pursuing as part of a complete financing package for the applicant business.

Authorized Signature

By: _____

Name: _____
(print or type)

Title: _____

Company: _____

Date: _____

*Georgia Law requires that "all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen" (O.C.G.A. 50-18-70). This means that past and current records on the use of DCA funds are required to be opened for public inspection. **However, certain proprietary information which is required by DCA to be included in an application and must be supplied by a business in order to compete and which constitutes a "trade secret" (O.C.G.A. 10-17-140 et seq.; 16-8-13(a) (4)) is exempt from disclosure under O.C.G.A. 50-18-70.***