



Economic Development Application Development & Revolving Loan Funds (RLF)

Presented by:

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The DCA Team



Regional & Field Representatives

- Project identification, assessment & development
- Monitoring



Credit Underwriters

- Credit analysis, underwriting
- Financing options

Managers

- Review overall project
- Ensure program objectives can be met
- Craft award documents
- Project oversight

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 to ensure “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.”

Overview

Georgia Department of Community Affairs CDBG Economic Development Set-Aside Programs

CDBG Programs:

Employment Incentive Program (EIP), Redevelopment Funds(RDF), Immediate Threat and Danger (ITAD), and Revolving Loan Fund (RLF)

Available Funding: Georgia

CDBG Funds from U.S. Housing and Urban Development (HUD)

HUD Authorization	Approx. \$40M
EIP	\$4,000,000 set-aside
RDF	\$1,500,000 set-aside
Immediate Threat	\$500,000 set-aside

- ❑ Local governments can implement a broad range of activities as long as they further the National Objectives of the Act.
- ❑ **Three National Objectives are:**
 - ❑ Majority benefit to low- and moderate-income persons through services and job creation;
 - ❑ Prevention or elimination of slum and blight; and
 - ❑ Urgent Need

Set-Asides Overview

Maximum Award Amounts

EIP	\$1,000,000 set-aside
RDF	\$1,000,000 set-aside
Immediate Threat	\$50,000 set-aside

Primary Purpose	EIP - Expand employment opportunities for L/M income people RDF – Eliminate Slum and Blight ITAD- Immediate and Urgent Disaster Relief
Low/Moderate Income Benefit	At least 51% of jobs created and/or retained
Eligible Uses	Public facilities, infrastructure, business loans, elimination of Slum and Blight, Relocation Assistance

What exactly is this IPA?



Initial Project Assessment (DCA)

- The **Who, What, Why, When** and **Where** of a Project;
- Determines and Preserves Eligibility of activities and costs;
- Enables **Pre-Agreement Cost Approval (PACA)** which is especially important for federal funds;
- Ensures all available funding sources are considered; and
- Provides an idea how competitive your project might be.

What is PACA?

- CDBG/EIP and DCA regulations allow potential applicants to request “pre-agreement cost approval” (PACA) from DCA that authorizes the potential applicant and beneficiary business to commence project activities and maintain project timetables while applying for EIP assistance.
- Upon DCA’s issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining the eligibility of the job-creation and private investment that takes place prior to submission of an application and receipt of a grant award.

Review & Underwrite Application Timeline

IPA Received

- PACA Letter Issued
- 10 days

Program Application Submitted

- 90 days

Completeness Checklist

- 10 days
- Completeness items resubmitted, if not complete
- (30 days)

Staff Review Panel

- (45 days)

“

Let's break down the
EIP program!

Employment Incentive Program

□ Purpose

Facilitate and enhance job creation and/or retention, principally for low- and moderate-income persons, by providing funding cycle that is more responsive to expanding or retaining economic opportunities at the local level.

□ To Be Considered For Funding

Potential projects **must address the creation and/or retention of jobs or employment opportunities, a minimum of 51%** of which must be for **persons of low and moderate income**



Employment Incentive Program

- **Eligible Program Applicants**
- Units of general-purpose local government that are not metropolitan cities, urban counties and other units of government eligible to participate in HUD's urban counties, or metropolitan cities program.



Eligibility Restrictions



Georgia Planning Act



The Service Delivery
Strategy Act



The Solid Waste
Management Act (Sewer Projects)



DCA Local
Government Finance
Report requirements



Local Government
Audit Act

Compliance Status Check



- For information on a community's Qualified Local Government Status (QLG), i.e., the status of a community's compliance with the first four requirements listed in the previous slide, please go to the following web site:

<https://www.audits2.ga.gov/resources/orgs/local-government>.

- For information on a community's compliance with the Local Government Audit Act, please visit :
<https://www.audits2.ga.gov/resources/orgs/local-government/>. (Applicant should report status of conformance with the reporting requirements in the EIP application).

- ***It should also be emphasized, that to be eligible as a sub-recipient of EIP funding, the business and principals must not appear on the Georgia Department of Revenue's delinquent tax list.***

Employment Incentive Program

The program can be utilized to:



A financing mechanism which seeks to create **employment opportunities for rural Georgia's low- and moderate-income population** ;



A method of **assisting those businesses that cannot raise all of their financing needs through conventional private sources**; and



A **provider of infrastructure funding to local governments** with projects that will create the necessary job opportunities , but cannot proceed because of a lack of sufficient infrastructure funding

Employment Incentive Program

Eligible Activities

- ❖ Activities carried out by units of general local government and/or other local public authorities including:
 - a) Acquisition of real property;
 - b) Construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and
 - c) Commercial or industrial buildings, structures and other real property improvements .

EIP Loan Disbursement



□ Loan Disbursement

- Disbursement agreement included in the EIP/RDF loan agreement.
- The Borrower's other public and/or private financing will be disbursed on a pro-rata basis with the EIP/RDF loan proceeds.

Employment Incentive Program

Eligible Activities

Direct assistance to private for-profit entities, when the assistance is appropriate to carry out an economic development project

***Assistance can not be in the form of a grant, guarantees, or technical assistance.**

***Financial assistance to private for-profit entities must be made upon firm commitments of financial participation from other private sources such as banks or the private for-profit entities themselves.**

***Assistance must also create or retain permanent jobs** principally for low- and moderate-income persons.

Ineligible CDBG-ED/EIP/RDF Activities



Working Capital



Refinancing



Speculative Projects



Capacity Building



General Conduct of
Government

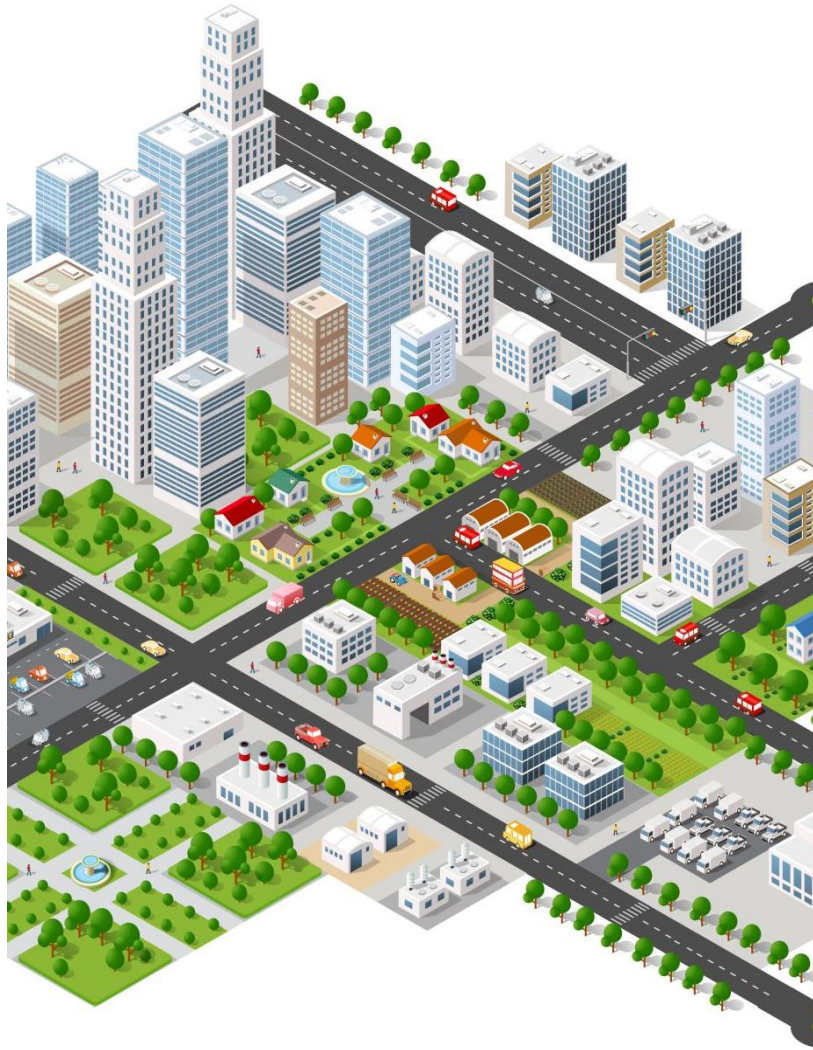


Project Not Meeting
Federal Guidelines



Using Federal Funds to
relocate businesses
(Piracy - There are
Restrictions)

Pre-application Reminders



- Whenever a local government recipient of CDBG/EIP needs to acquire property, such as land for a building, easements, Right-of-Way (ROW) for public infrastructure such as water or sewer lines, street paving, or drainage improvements **the Uniform Relocation Assistance (URA) and Real Property Acquisition Act requirements must be satisfied**
- URA procedures must be followed for CDBG/EIP projects even if the local government recipient is using other federal funds, its own non-federal funds, or other non-federal funds to pay for the property.

Pre-application Reminders

- All CDBG/EIP projects must take certain actions to comply with the National Environmental Policies Act of 1969 (NEPA) and HUD regulations implementing NEPA titled “Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities before committing funds for acquisition or construction.





What defines Low and Moderate Income?

Definition of Low-and Moderate-Income

- A low- and moderate-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 **CDBG Income Limits** (same as Adjusted HOME Income Limits, but not the same as Section 8 Income Limits) 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. **Copies of the guidelines for your county are located on HUD's website and in the *CDBG Applicants' Manual*.**

HUD Income Guidelines

Very Low-Income Limit (VLIL)

50% of Median*

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$34,450	\$39,400	\$44,300	\$49,200	\$53,150	\$57,100	\$61,050	\$64,950

Extremely Low-Income Limit (ELIL)

30% of Median*

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$20,650	\$23,600	\$26,550	\$29,500	\$31,900	\$34,250	\$36,600	\$38,950

Low-Income Limit (LIL)

80% of Median*

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$55,100	\$63,000	\$70,850	\$78,700	\$85,000	\$91,300	\$97,600	\$103,900

Low- and Moderate-Income Jobs Criteria



- ❖ For each activity funded under the Employment Incentive Program, at least **51% of all jobs to be created or retained as a result of the EIP project must be documented to be created for and/or retained by persons defined as low and moderate income by DCA.**
- ❖ *For an activity or **project that retains jobs**, the unit of local government and proposed subrecipient(s) **must document that jobs would actually be lost without the EIP assistance and that at least 51% of the total existing jobs** are currently held by low- and moderate-income persons.*
- ❖ For the purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be low- and moderate-income if the assisted business is located within a **census tract that has a poverty rate of at least 20 percent (20%) as determined by the most recently available decennial census information.**

EIP Direct Loan Program

❑ **Loan Terms**

- Up to 20 years for financed real estate
- Up to 10 years for financed machinery/equipment
- The interest rate is fixed at or below market rates determined at local level

❑ **Security/Collateral**

- 1st or shared 1st priority mortgage and/or lien position on project costs/uses financed
- Personal guaranties from owners (>20% ownership)
- Corporate guaranties from related companies

❑ **Repayment**

- EIP,RDF Loan repayments must capitalize or be placed into a local Revolving Loan Fund (RLF)

HUD Guidelines on EIP/RDF loans

- According to HUD guidelines, **program income must be utilized prior to granting additional funds** to a community with the same project activity. Since the **County retains program revenue generated by an economic development loan** made with EIP/CDBG grant monies, **its RLF cash on hand must be used toward the creation of LMI jobs.**

Walton County – General Mill's Southeast Distribution Facility



- Recipient – Walton County
- Sub-Recipient – General Mill's southeast distribution facility
- Grant Amount - \$500,000
- Project – public rail spur
- Private Investment - \$42 Million
- Jobs – Create 112, 100% L/M

Source and Use – Walton County

Source	Amount	Use	Amount
EIP	\$ 500,000	Rail spur construction	\$ 500,000
OGA EDGE	\$ 500,000	M&E	\$ 500,000
GDOT	\$ 315,000	Roadway construction	\$ 315,000
EDA	\$ 1,619,000	Water & sewer construction	\$ 1,619,000
County	\$ 556,000	Rail construct, Eng, Admin	\$ 556,000
County	\$ 410,772	Road construct, Eng, Acq	\$ 410,772
DAWC	\$ 28,500	Legal, grant writing, admin	\$ 28,500
City	\$ 779,404	W&S, eng, apps prep	\$ 779,404
Gen Mills	\$42,009,470	Land, building, M&E, F&F	\$ 42,009,470
Total	\$ 46,718,096	Total	\$ 46,718,096

Special Conditions – Inherit to Rail Spur Projects

- ❑ Special Condition #1: Bid documents, Bid specifications, signed contract and Bid Bonds.
- ❑ Documentation certifying Rail Company has approved the final plans for the design for the rail spur.
- ❑ “Intergovernmental Agreement” between local government and Development Authority.
- ❑ “Siding” / “Side Track Agreement” – Title varies according to Railroad Company.
- ❑ “Industrial Track Agreement” - Title varies according to Railroad Company.

Walton County Success! - General Mills' Southeast Distribution Facility EIP Rail Spur



EIP Checklist

Georgia Department of Community Affairs Attachment to Form DCA-1 EIP Applicant Completeness Checklist			Applicant: _____ <input type="checkbox"/> Original <input type="checkbox"/> Amendment, Dated: _____
This checklist is designed to assist applicants in completing the application package, and to prevent delays in DCA review. To assist the applicant and DCA, please check the appropriate box.			
YES	NO	N/A	GENERAL
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Grant request is within the limits established
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If joint or regional application, cooperating agreement executed and attached
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Original signatures included on at least one original (with original pictures) copy of "Application Summary", "Certified Assurances" and "CDBG Disclosure Report"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Activity(s) meet the minimum benefit threshold requirement of 51%
YES	NO	N/A	SPECIFIC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-1 EIP "Application Summary"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-2 EIP "Proposed Accomplishments"
NOT REQUIRED			Form DCA-3 EIP "Community-wide Needs Assessment"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-4 EIP "Description of Needs to be Addressed"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-5 EIP "Description of Activities"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-6 EIP "Low and Moderate Income Benefit Calculation"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-7 EIP "Budget Summary"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-8 EIP "Budget Analysis"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-9 EIP "Environmental Review Information"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-10 EIP "Certified Assurances"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-11 EIP "Cooperating Agreement"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA 12 EIP "Maps"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Form DCA-13 EIP "CDBG Disclosure Report"
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Supplemental Documentation for Infrastructure or Direct Loans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Economic Development and EIP Supplemental Information and Documentation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Public Hearing Notice (from newspaper) and Minutes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SAMs Certification and Civil Rights Survey

DCA Forms

- Complete list of DCA forms can be found here:

[EIP: Documents & Downloads | Georgia Department of Community Affairs](#)

Employment Incentive Program: Documents & Downloads

Employment Incentive Program - Forms

- [Acknowledgement of LAP Requirement](#) (PDF, 83.85 KB)
- [DCA 01 EIP - Application Summary](#) (PDF, 62.06 KB)
- [DCA 02 EIP - Proposed Accomplishments](#) (PDF, 387.53 KB)
- [DCA 04 EIP - Description of Needs to be Addressed](#) (PDF, 210.47 KB)
- [DCA 05 EIP - Description of Activities](#) (PDF, 185.32 KB)
- [DCA 06 EIP - Income and Civil Rights Benefit Calculation](#) (PDF, 246.96 KB)
- [DCA 07 EIP - Budget Summary](#) (PDF, 239.18 KB)
- [DCA 08 EIP - Budget Analysis](#) (PDF, 362.92 KB)
- [DCA 09 EIP - Environmental Review Information](#) (PDF, 164.33 KB)
- [DCA 10 EIP - Certified Assurances](#) (PDF, 160.81 KB)
- [DCA 11 EIP - Cooperating Agreement - Sample](#) (PDF, 168.08 KB)
- [DCA 12 EIP - Maps](#) (PDF, 111.83 KB)
- [DCA 13 EIP - Disclosure Report](#) (PDF, 251.08 KB)
- [DCA 9A EIP - Historic Preservation](#) (PDF, 234.62 KB)
- [DCA 9B EIP - Tribal Consultation Checklist](#) (PDF, 56.76 KB)
- [EIP 20% or Greater Poverty Certification Sample](#) (PDF, 132.05 KB)
- [EIP 20% or Greater Poverty Summary Certification Sample](#) (PDF, 165.6 KB)
- [EIP Checklist](#) (PDF, 953.03 KB)
- [EIP Civil Rights Certification](#) (PDF, 453.41 KB)
- [EIP Income Release Survey Certification Sample](#) (PDF, 201.7 KB)
- [EIP Income Summary Certification Sample](#) (PDF, 167.35 KB)
- [EIP SAM Certification](#) (PDF, 18.07 KB)
- [EIP Schedule of Existing Debt](#) (PDF, 132.62 KB)
- [EIP Source and Use - Infrastructure](#) (PDF, 333.58 KB)
- [EIP Source and Use - Loans](#) (PDF, 148.85 KB)
- [EIP supplemental Information](#) (PDF, 276.97 KB)
- [Initial Project Assessment for EIP Pre-Agreement Cost Approval](#) (DOC, 17.55 KB)
- [Local LAP Threshold Certification](#) (PDF, 491.22 KB)
- [Section 504 Meeting Checklist](#) (PDF, 340.95 KB)
- [Source and Use Form - Direct Loans CDBG/EIP](#) (PDF, 148.85 KB)
- [Source and Use form - CDBG/EIP Infrastructure](#) (PDF, 333.58 KB)

EIP applications will be rated and scored based on the following factors:

	Maximum Points
Demographic Need	120
Program Feasibility	110
Program Strategy	110
Project Impact	110
<u>Total Points</u>	<u>450</u>

Employment Incentive Program Ranking System

- Must score a minimum of 300 points for eligibility

Rating factors will be assigned in the following manner:

- ♦ **Demographic Need - *absolute number of people in poverty*:** Applicants will be compared in terms of the number of persons in the entire jurisdiction whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant in the group and multiplying by 40.
- ♦ **Demographic Need - *percent of people in poverty*:** Applications will be compared in terms of the percentage of population below the poverty level in the entire jurisdiction. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant in the group and multiplying by 40.
- ♦ **Demographic Need - *per capita income*:** Applicants will be compared in terms of their per capita income for the entire jurisdiction. Scores will be obtained by dividing each applicant's per capita income into the lowest per capita income of any applicant in the group and multiplying by 40.

Demographic (120 points)

Feasibility (110 points)

- ◆ The organizational status of the development agency or sub-recipient business:
 - Reputable history for business and all related entities
 - Credit history
 - Litigation
 - Government findings, sanctions, etc.
- ◆ The proposed business or development concept/product/service is proven and does not represent an untried business model.
- ◆ As applicable, the development agency's or sub-recipient business' **historical performance and standing is secure** in the following areas: **capital management, debt capacity, management character and experience, collateral value, economic and market conditions.**
- ◆ As applicable, the development agency's or sub-recipient business' proposed development or business plan is reasonable and uses reasonable assumptions in the following areas: **capital investment, debt service capacity, management ability, collateral value, industry analysis, response to future economic and market conditions.**

Feasibility continued

- ◆ For real-estate projects, **the proposed development team has a successful record of accomplishment. (i.e. Developer, Contractor, Architect, Leasing Agent, Property Manager, Syndicator, Construction Manager, Interim and Permanent Lenders)**
- ◆ As applicable, the proposed project complies with the CDBG/EIP regulations and guidelines for “appropriateness”, underwriting, and public benefit which may not be more than \$10,000 per job.
- ◆ **All project costs are reasonable and verified through original source documents, architectural and engineering reports, or a MAI or other certified appraisal acceptable to DCA.**
- ◆ The **balance of all financing sources is verified and committed in writing**, with supporting documentation.
- ◆ As applicable, all required real estate is available, has clear title, and is under proper option or control.
- ◆ The development agency and sub-recipient’s investment and job commitment letter is in the proper format.
- ◆ **All needed architectural plans, engineering reports, plans and specifications are completed and approved by appropriate authorities in support of the proposed project.**
- ◆ The project can be carried out in accordance with all applicable federal, state, and local law, regulation and permitting requirements.

Feasibility continued

- ◆ Where applicable, review of any proposed recipient's or subrecipient's ability to provide administrative capacity or to undertake an approved activity.
- ◆ If all **project timetables for completion are reasonable.**
- ◆ Wetland and floodplain maps should be included with the application to assist DCA in determining project feasibility
- ◆ **All Preliminary Engineering Reports and Preliminary Architectural Reports should include an original signature and the appropriate professional stamp.** Points may be deducted for feasibility without these features

Strategy (110 Points)

- The **ratio of private funds to EIP funds** (To receive maximum points a minimum ratio of at least 1 to 1 is generally required);
- As applicable, the local government's financial condition and ability to participate in project costs;
- **Documentation illustrating the public benefits to be achieved are reasonable and to the extent practicable EIP funds will not substitute for other available funds;**
- As applicable, the reasonableness of financing strategy (adequacy of equity injection, collateral, and loan terms);
- As applicable, the relationship between the sub-recipient's infrastructure needs and the size and capacity of any infrastructure to be provided;
- The **validity of sub-recipient's commitment to fulfill hiring and investment commitments** (has sub-recipient agreed to provide acceptable surety to "bond" its performance);
- As applicable for direct loans, the severity of the business' or subrecipient's need for financial assistance;

Strategy continued

- As applicable, project's utilization of existing land and/or buildings already served by public infrastructure;
- The utilization of available funds within local revolving loan funds capitalized by CDBG/EIP;
- A project's conformance to federal, state, and local laws and regulations
- The **relationship to overall objectives of the EIP and CDBG Program, including the extent of benefit to persons of low and moderate income.**

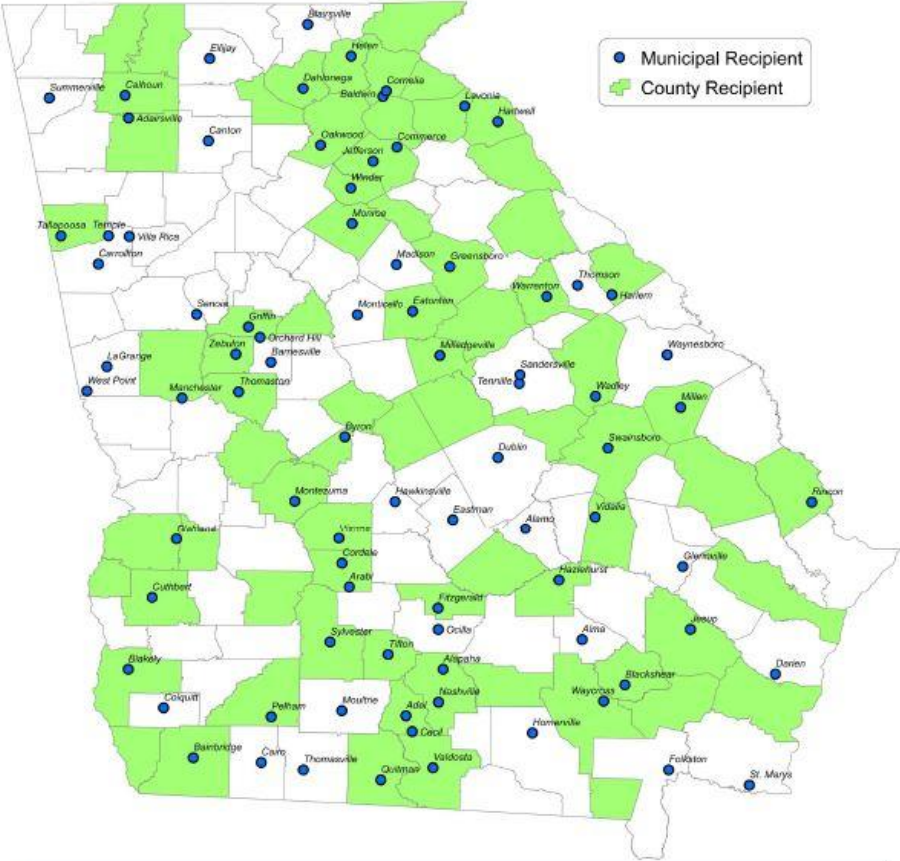
Impact (110 points)

- ◆ **The number of jobs/beneficiaries created and/or retained;**
- ◆ The EIP/CDBG cost per job/beneficiary; no more than 50,000 per job
- ◆ **The availability of jobs or benefit to low/mod income persons;**
- ◆ The project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement;
- ◆ An analysis of the documented severity of need;
- ◆ As applicable, the quality of jobs and employee benefits (health insurance, retirement, leave, etc.);
- ◆ **The project's impact on local unemployment rates and other needs of the community;** and
- ◆ As applicable, the project's impact on blighting conditions that threaten public health and safety or impede economic development



EIP Outcomes

The Employment Incentive Program has funded projects in **over 150** communities since 2000



PROGRAM IMPACT

220	-	Total Awards
25,891	-	Total Jobs Created and Retained
\$63,900,000	-	EIP Investment
\$3,400,000,000	-	Private Funds Leveraged





Let's discuss the RDF program!



Redevelopment Fund (RDF)

Purpose

- The RDF program is designed to help finance acquisition and real property improvement projects aimed to meet the Slums/Blight National Objective
- Uses CDBG funds to benefit low-and moderate-income persons through the **prevention or elimination of blight and to alleviate serious and immediate threats to the health and welfare of community residents**

What exactly does “blight” mean?

Blight is more than just long-term vacancy of a building.

Blight should include easily identifiable deficiencies for internal staff to identify: deterioration of structure (roof holes, wall stability, etc.), outdated/non-compliant code issues, unsafe conditions (flooring, stairs, etc.), external threat to public safety (crumbling façade, falling brickwork, unsound overhang structure, etc.).

If the pictures do not tell the story of blight, the application may not score high enough for consideration or may not be viewed as eligible (unless **strong** supporting documentation is included).

Elimination of Slum and Blight “Spot Basis” vs “Area Basis”

Spot Basis

- Spot basis activities are limited to the extent necessary to eliminate specific conditions detrimental to the public health and safety

Area Basis

- Area basis activities are delineated by a unit of local government, meets a definition of a blighted, deteriorated, deteriorating, or slum area under State of Local law.



Spot Basis

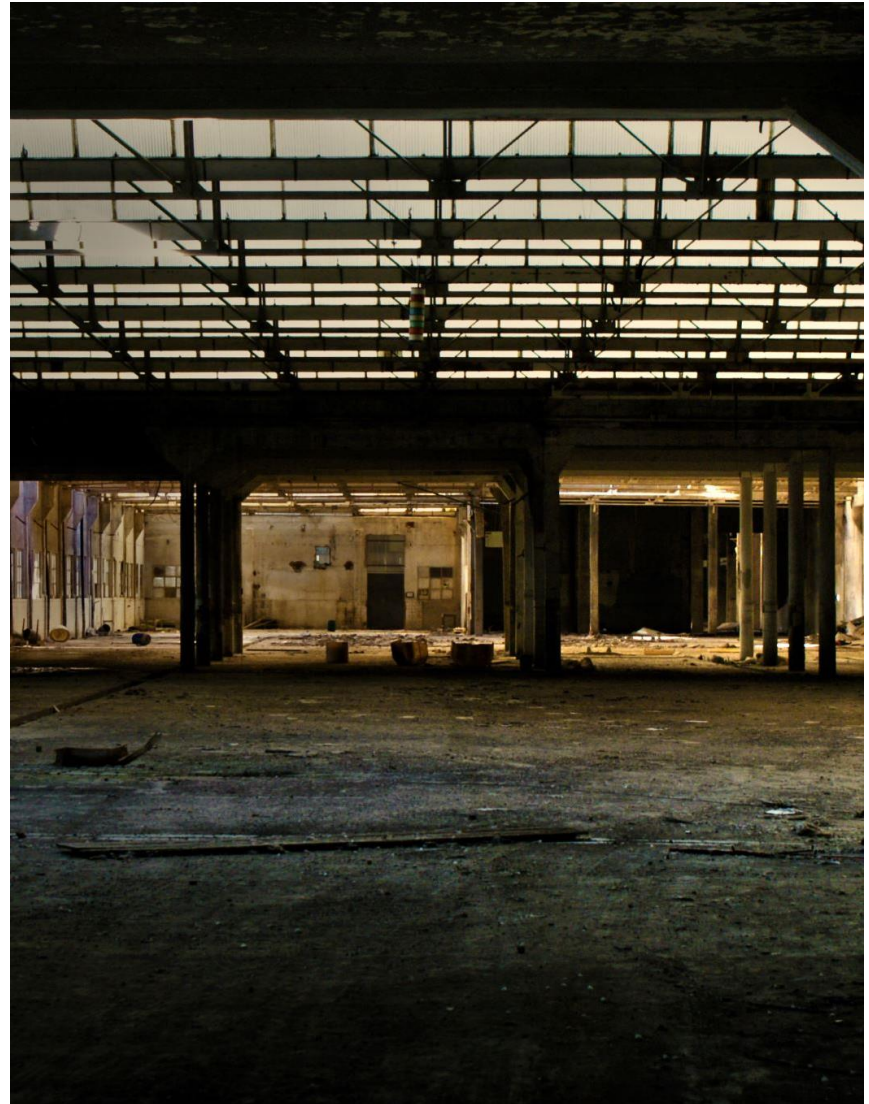
Activities that eliminate conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area.

- Activities under this category are limited to :
 - Acquisition
 - Clearance
 - Relocation
 - Historic preservation
 - Building rehabilitation activities*

* Rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

Spot Basis

- Rehabilitation
 - Rehabilitation which promotes energy efficiency of buildings and improvements
 - Reconstruction or rehabilitation of privately owned properties including the renovation of closed school buildings



Spot Basis Documentation Needed

The records maintained must include:

- A description of the specific condition of blight or physical decay treated and
- A description of the assisted activity showing that it falls under one of the activity types that are eligible to be carried out under this subcategory.
- A resolution declaring the property slum/blight

Where rehabilitation of a building is carried out under this category, information showing how the activity eliminates conditions detrimental to public health and safety must be included.

Spot Basis

Types of buildings and improvements eligible for rehabilitation assistance

- ❑ Publicly or privately owned commercial or industrial buildings, **except that the rehabilitation of such buildings owned by a private for-profit business is limited to**
 - ❑ Improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;
 - ❑ Nonprofit-owned nonresidential buildings and improvements not eligible under *Public Facilities Improvements*

Direct Assistance to For-Profit Entity

- ❑ Loans, grants, or other direct financial assistance to pay for the expansion of a factory or commercial business, or the establishment of a new facility or business

- ❑ CDBG funds could be provided to for-profit company through a loan to:
 - ❑ Purchase land;
 - ❑ Construct a building or other improvements;
 - ❑ Renovate an existing building to accommodate the business;
 - ❑ Construct tenant improvements/finishes;
 - ❑ Lease space in or purchase an existing building;
 - ❑ Purchase capital equipment

The direct assistance to for-profit entities requires compliance with the requirements of the Low-to Moderate-Income requirements for job creation and the application of the public benefits standard of the CDBG program

Area Basis

Activities that aid in the prevention or elimination of slums or blight in a designated area.

- The focus of activities is a change in the environment of a deteriorating area.
- The area in which the activity occurs must be designated as slum or blighted.
- Documentation must be maintained by the municipality on the boundaries of the area and the conditions that qualified the area at the time of its designation.

Area Basis Condition Determination

At least 25 percent of properties throughout the area experience one or more of the following conditions:

- ❑ Physical deterioration of buildings or improvements;
- ❑ Abandonment of properties;
- ❑ Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
- ❑ Significant declines in property values or abnormally low property values relative to other areas in the community; or
- ❑ Known or suspected environmental contamination.

- OR -

- ❑ The public improvements throughout the area are in a general state of deterioration

Successful Spot Basis Project



**Former Chero Cola Warehouse
204 N. West Street, Greensboro**

Building Interior-Before Renovation



Greensboro RDF Award

- ❑ RDF Grant to the City of Greensboro to acquire and stabilize the former Chero Cola warehouse building, a blighted structure located in historic downtown Greensboro to be repurposed as a new microbrewery.
- ❑ Owner and operator: Lake Country Brewing, LLC.
- ❑ Award Amount: \$500,000
- ❑ Total Project Cost \$2,110,917

City of Greensboro: Source and Use

Source	Amount	Use	Amount
RDF	\$500,000	Building Acquisition	\$150,000
		Building Stabilization	\$ 270,000
		Architectural/Eng. Fees	\$50,000
		Grant Administration	\$30,000
City of Greensboro	\$19,917	Utility Connection Fees, etc.	\$19,917
SBA Loan	\$1,385,000	Building Stabilization/Rehab.	\$761,732
		Equipment/Inventory	\$520,095
		Contingencies	\$103,173
Owner Equity	\$206,000	Equipment and Bank Financing Fees	\$206,000
TOTAL	\$2,110,917	TOTAL	\$2,110,917

Successful Area Basis Project



**City of Madison –
Canaan Corner Store**

Madison RDF Source and Use

<u>Source</u>	<u>Use</u>	<u>Amount</u>
RDF	Clearance, Construction	\$100,912
City	Acquisition/Grant Admin.	\$ 92,139
DDA	Construction, Legal/ Eng.	\$ 22,427
Private Entity	Inventory & Equipment	<u>\$ 46,346</u>

Total Project Cost **\$261,824**

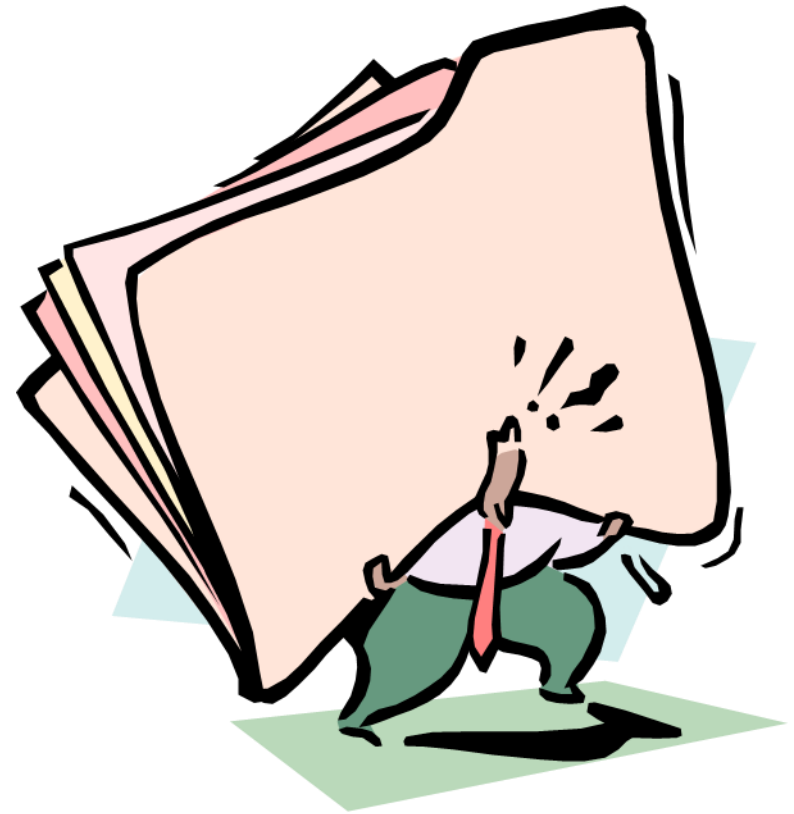
Things to Remember

Qualify your project as
“Spot Basis” or “Area
Basis”

Verify that your activities
are eligible

Document need, costs and
support of organizations,
banks & businesses

Debt – credit underwriting
and terms



City of Madison RDF Award

- ❑ RDF Grant to the City of Madison for clearance, site development and new construction of a blighted structure in the Downtown Redevelopment Area to be used as the new Canaan Corner Store
- ❑ Grant Amount \$100,912; TPC \$261,824
- ❑ City will invest \$92,000 and create 2 jobs
- ❑ Private entity will invest \$46,000 for tenant build-out, inventory and equipment

RDF applications will be rated and scored based on the following factors:

Scoring Criteria	Maximum Points
Demographic Need	120
Project Feasibility	210
Project Strategy and Innovation	240
Leverage of Additional Resources	30
<u>Total Maximum Points</u>	<u>600</u>

RDF Ranking System

- Must score a minimum of 375 points for eligibility

Demographic Need (120 points)

- ◆ **Demographic Need - *absolute number of people in poverty*:** Applicants will be compared in terms of the number of persons in the entire jurisdiction whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant in the group and multiplying by 40.
- ◆ **Demographic Need - *percent of people in poverty*:** Applications will be compared in terms of the percentage of population below the poverty level in the entire jurisdiction. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant in the group and multiplying by 40.
- ◆ **Demographic Need – *median household income*:** Applicants will be compared in terms of their median household income for the entire jurisdiction. Scores will be obtained by dividing each applicant's median household income into the lowest median household income of any applicant in the group and multiplying by 40.

Feasibility (210 points)



Eligibility of proposed activity under either “spot basis” or “area basis” criteria;



All project costs are reasonable and verified through original source documents, architectural and engineering reports, or a MAI or other certified appraisal acceptable to DCA;



The project can be carried out in accordance with all applicable federal, state, and local law, regulation and permitting requirements;



If all project timetables for completion are reasonable;



The balance of all financing sources is verified and committed in writing, with supporting documentation;



All needed architectural plans, engineering reports, plans and specifications are completed and approved by appropriate authorities in support of the proposed project;



As applicable, all required real estate is available, has clear title, and is under proper option or control;



The reasonableness of any site contamination clean-up proposal and plan;

Feasibility (210 points)

As applicable, the proposed project complies with the CDBG/RDF regulations and guidelines for “appropriateness”, underwriting, and public benefit;

For real-estate projects, the proposed development team has a successful record of accomplishment. (i.e. Developer, Contractor, Architect, Leasing Agent, Property Manager, Syndicator, Construction Manager, Interim and Permanent Lenders);

As applicable, the development agency’s or sub-recipient business’ proposed development or business plan is reasonable and uses reasonable assumptions in the following areas: capital investment, debt service capacity, management ability, collateral value, industry analysis, response to future economic and market conditions;

- A brief, thorough description of plans for implementing Section 3 requirements will enhance an applicant’s chances of receiving the maximum score on Feasibility. **Note:** Pre-Funding procurement requires Section 3 compliance.

Strategy(110 points)



The severity of the subrecipient's need for financial assistance;



Documentation illustrating the public benefits to be achieved are reasonable and to the extent practicable RDF funds will not substitute for other available funds;



As applicable, the reasonableness of financing strategy (adequacy of equity injection, collateral, and loan terms);



A project's conformance to federal, state, and local laws and regulations.



The utilization of available funds within local revolving loan funds capitalized by CDBG/RDF;



The relationship to overall objectives of the RDF and CDBG Program, including the extent to which funds will address conditions of slum and blight; and

Project Leverage (30 points)

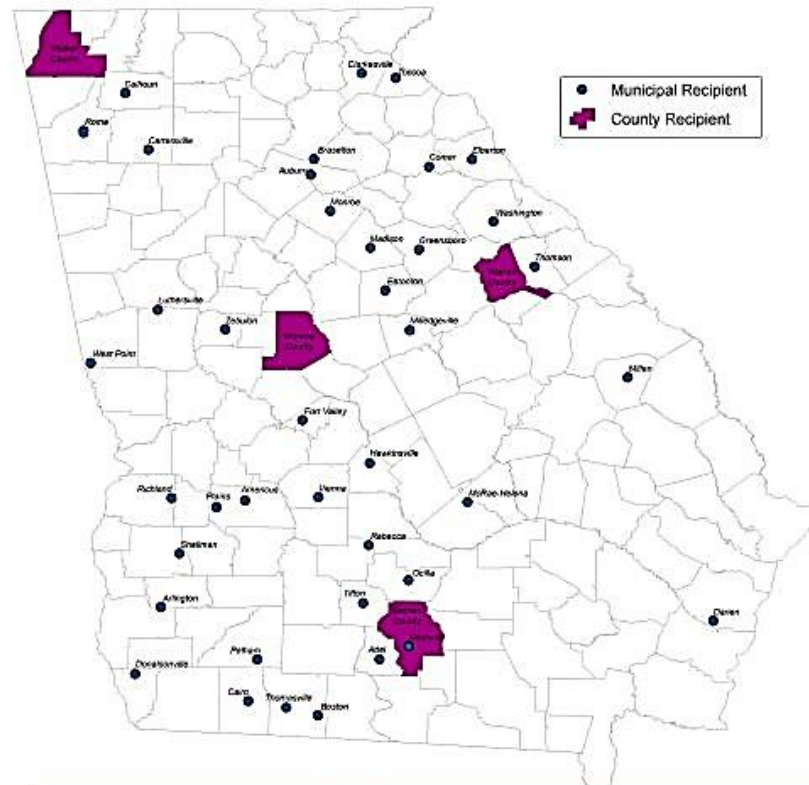
- ❑ Leverage points are awarded based on a firm commitment of additional resources directly related to the project, including capital costs and new funds for operation of any proposed program(s).
- ❑ The “leverage ratio” of other private or public funds will be the criterion considered. A reasonable value must be assigned to donated and in-kind items. The leverage score will be calculated based on the total value of leverage for each applicant
- ❑ Ratio's exceeding 3:1 receives maximum points
 - ❑ **1:1 means , if an applicant is asking for \$200,000 in funding from program, then \$200,000 should be matched from applicant private and leverage source and funds**

Application Forms

- CDBG DCA forms for RDF application are the same as EIP.

RDF Program Impact

The Redevelopment Fund has assisted
projects in 50 communities since 2000



PROGRAM IMPACT

50 - Number of Awards
8,160 - Total Beneficiaries
7,805 - LMI Beneficiaries
\$17,067,809 - RDF Investment
\$74,243,756 - Private Funds Leveraged

Georgia Department of
Community Affairs

“

Give me the 411 on the ITAD
program!

Immediate Threat and Danger (ITAD)

Purpose

- The ITAD Program is intended to respond to events or situations which have a particular urgency and uniqueness which adversely affect or impact the health or welfare of the community and its citizens and where other financial resources are not available to meet such need
- The Immediate Threat and Danger Program provides 50% matching funds for community development activities having a particular urgency when existing conditions pose a serious and immediate threat to the health or welfare of the community."
- The program requires 50% matching, and 10% local funds requirement

Eligible Activities



The construction or reconstruction of public facilities such as water, sewer, street or drainage system facilities or other community facilities



Housing rehabilitation, and



Relocation assistance

ITAD Circumstance



Intended to address situations which are urgent and unique. These situations should typically occur due to **state or federally declared disasters**.



Funds are not available for repairs of public infrastructure that are failing due age and lack of maintenance or the general “wear and tear” on existing infrastructure

Examples of Eligible Activity



Acquisition of property located in a flood plain that was severely damaged by a recent flood



Demolition of structures that were severely damaged by a major earthquake or tornado

Application Process



Applications can be submitted at any time and funds will be awarded to eligible applicants which meet the threshold



Applications must be submitted to DCA on the forms. Note that this includes a certification that other financial resources are not available to meet the identified need and that the situation poses a serious and immediate threat



After staff review and recommendations, the Department of Community Affairs will approve or deny the request and transmit the decision to the local government

Apply for ITAD here :

https://gn.ecivis.com/GO/gn_redir/T/wbxttv6vohdf.

Minimum Information Needed For Determination



A narrative description of the problem which describes, in detail, the causes of the problem and the ramifications and threats to health or welfare if the problem is not resolved.



A copy of the applicant government's most recent financial audit report, a current budget and revenue summary, and account balances, including all investments



A budget summarizing the amount of funds requested and the use of the funds plus an identification of the sources and uses of the required matching funding.



Other data which may be pertinent to a funding decision, such as an engineering analysis/EPD approvals, evidence of additional funding, etc.



Additional documentation for reimbursement-based projects as outlined in the Supplemental Guide in Appendix B.

“

Application
Time!

DCA Forms

- Form 1-Purpose is to briefly describe the project activities and briefly quantify activities
- Widget, Inc. Expansion Project -** Timbuktu County requests \$200,000 in EIP funds to provide a loan to Widget, Inc. The loan funds will be used along with a private investment of \$800,000 to add a 15,000 square foot facility and purchase new machinery and equipment to add two new production lines. The project will support the creation of 100 new jobs at the facility, 83 of which will be available to low and moderate income persons. The loan will be secured by a second lien on the new facility and a first lien on the machinery and equipment and repaid to Timbuktu County.

DCA Applicant Form 1

[Reset Form](#)

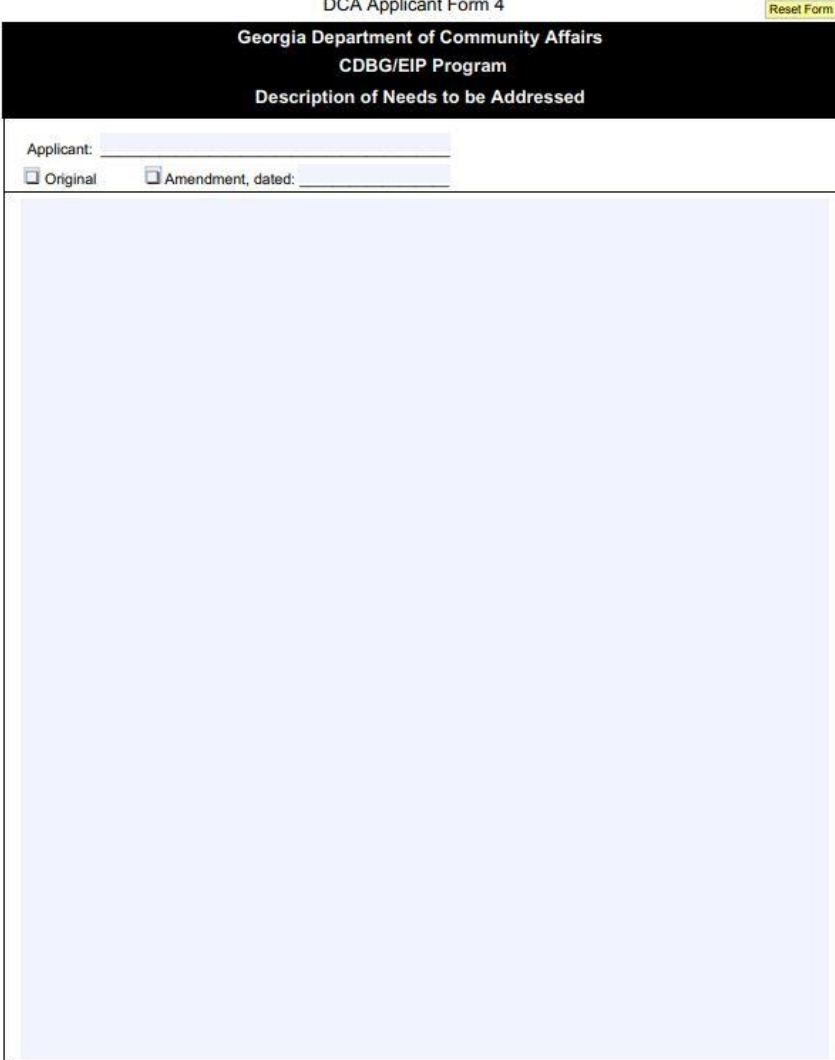
Georgia Department of Community Affairs CDBG/EIP Application Summary		
Application is hereby made for an Employment Incentive Program (EIP) award under the Housing and Community Development Act of 1974, as amended, and the Georgia CDBG Program Regulation of 1982, as amended.		Leave blank - For DCA use only
		Date Received:
		Application Number:
Legal Applicant/Recipient	Implementing Agency	Proposed Subrecipient/Business
1. Name of Applicant:	7. Name of Agency:	11. Name of Business:
2. Applicant Address:	8. Contact Person:	12. Contact Person:
	Job Title:	13. Address:
Applicant DUNS #:	9. Address:	
3. Telephone Number:		14. Telephone Number:
Email:		
4. County:		
5. State House District(s):	10. Telephone Number:	Census Tract Number:
6. State Senate District(s):	Email:	Census Block Group Number
15. Brief Title and Description of Program:		Type of Applicant (check one)
		16. City Applicant <input type="checkbox"/>
		17. County Applicant <input type="checkbox"/>
		18. Joint Applicant <input type="checkbox"/>
		19. Regional Applicant <input type="checkbox"/>
		If this is a submission by joint or regional applicants, please attach a copy of your cooperating agreement.
		20. Location Map <input type="checkbox"/> Enclosed: <input type="checkbox"/>
		21. Program Duration: _____ Months
22. Program period from: Month _____ Date _____ Year _____ to: Month _____ Date _____ Year _____		23. Total CDBG/EIP Funds Requested CDBG/EIP: \$ _____
24. Application Type <input checked="" type="checkbox"/> CDBG/EIP Program Category (check as appropriate) * Note: This Form, DCA-1EIP, is for use with the Employment Incentive Program* Activity - Economic Development <input checked="" type="checkbox"/>		25. I, the undersigned authorized representative of the applicant, certify that to the best of my knowledge and belief: the data in this application is true and correct, the document has been duly authorized by the governing body of the applicant, and I have been authorized to execute the application and accompanying documents and assurances. Signature of authorized representative _____
26. Type Name and Title of Certifying Representative, and Date of Signature: Name: _____ Title: _____ Date: _____		

- Form 2-The purpose of this form is to provide a quantified summary of the accomplishments proposed by the applicant to be undertaken with CDBG/EIP funds. Note that a similar form will be used at project completion to collect data on actual accomplishments.

Georgia Department of Community Affairs

DCA Forms

- Form 4-This form asks you to describe the target area's overall community development needs and the needs being addressed by your grant request.
- Describe the documentation economic development needs being addressed by your grant
- This form should include:
 - ✓ Community description (location of project, demographics, economic conditions, etc.)
 - ✓ Proposed business information (history, products, other locations/offices/facilities, etc.)
 - ✓ Brief justification of the work which will be described in DCA-5



The screenshot shows the top portion of a web-based form. At the top right, it says "DCA Applicant Form 4" with a "Reset Form" link. Below this is a black header bar with white text: "Georgia Department of Community Affairs", "CDBG/EIP Program", and "Description of Needs to be Addressed". The form fields include "Applicant:" followed by a text input, and a section with checkboxes for "Original" and "Amendment, dated:" followed by a date input. The main body of the form is a large, empty light blue rectangular area.

DCA Forms

- Form 5- is where you describe how those needs will be addressed through the activities funded by the grant and through other local efforts
- Applicants are encouraged to include information (including dates accomplished) related to some of the following items: **Identify each activity by name and number to be undertaken with CDBG EIP funds**
- Procurement, public hearings, environmental compliance, Historic Preservation consultation, other financial assistance, right-of-way acquisition, general property acquisition and permits required/received.

DCA Applicant Form 5

Georgia Department of Community Affairs

CDBG/EIP Program

Description of Activities

Applicant:

☐ Original ☐ Amendment, dated:

☐ (Check here if continued on additional page(s) and attach) Page of Pages DCA Form 5 EIP (2014) v.0

DCA Applicant Form 6

[Reset Form](#)

Georgia Department of Community Affairs CDBG/EIP Program Low and Moderate Income and Civil Rights Benefit Calculation					Applicant: <input type="checkbox"/> Original <input type="checkbox"/> Amendment, dated: 		
1	2	3	4	5	6	7	8
CDBG/EIP Activity Number	Total Number of Persons the Activity will serve	Total Number of Minorities the Activity will serve	Total Number of Non-Minorities the Activity will serve	Number of Low and Moderate Income Persons the Activity will serve	Percent of Persons Who have Low and Moderate Incomes	Amount of CDBG/EIP Funds requested for the Activity	Amount of CDBG/EIP Funds to benefit Low and Moderate Income Persons
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
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			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
			0		0.00%		\$ 0
Describe Methodology. (See Instruction for Required Information. Attach Additional Sheets if needed, and a copy of the Survey Form if one is used.)					9 TOTAL BENEFIT \$ 0 \$ 0 Sum of Column 8 Sum of Column 7 X 100 = 0.00%		

DCA Forms

- Form 6-All EIP applications are required to have at least a 51% benefit to low- and moderate-income persons for each activity (administrative and contingency budgets are excluded). (demographic survey)
- Describe the methodology used to determine the number of minorities/ non-minorities and the number of low and moderate-income persons to be served by each activity.

☐ Original☐ Amendment, dated: _____**Part A: Budget Amount**

Line #	Budget Code	Activity Description	[N/A] (a)	CDBG/EIP			Total (e)
				Housing (b)	Pub Fac (c)	Econ Dev (d)	
43	17C-00	Acquisition					0
44	17B-00	Public Facilities and Improvements					0
45	14E-00	Commercial and Industrial Facilities					0
46	18A-00	Assistance to Private For-Profit Entities					0
47	X00-00	Other - General (Attach Description)					0
48		SUB TOTAL					0
		Engineering Fees					0
		Architectural Fees					0
49	020-00	Planning					0
50	21A-00	General Administration					0
51	022-00	Contingencies (Not to exceed 10% of Subtotal)					0

DCA Forms

- Form 7-**Part A** of this form should include an assessment of CDBG/EIP funds budgeted for the project.
- Part B** of this form is used to identify the total funds available (including in-kind contributions) to complete the program

CDBG Form 7 Example

Part A: Budget Amount							
Line #	Budget Code	Activity Description	[N/A] (a)	CDBG/EIP			Total (e)
				Housing (b)	Pub Fac (c)	Econ Dev (d)	
43	17C-00	Acquisition					0
44	17B-00	Public Facilities and Improvements				640,560	640,560
45	14E-00	Commercial and Industrial Facilities					0
46	18A-00	Assistance to Private For-Profit Entities					0
47	X00-00	Other - General (Attach Description)					0
48		SUB TOTAL					640,560
		Engineering Fees				64,440	64,440
		Architectural Fees					0
49	020-00	Planning					0
50	21A-00	General Administration				45,000	45,000
51	022-00	Contingencies (Not to exceed 10% of Subtotal)					0
52		TOTAL GRANT COSTS (sum of 48 through 51)					750,000
Part B: Total Resources for Program Costs							
1		EIP Grant Amount; Line 52(e)					750,000
2		Program income					
3		Other Federal Funds (Please Identify)					
4		Applicant Funds					15,969,000
5		State Funds					
6		Private Lender Funds					
7		Other Private Funds (Please Identify) Aspen Aerogels Private Investment					325,719,970
8		Total Program Costs (Sum: Lines 1 through 7)					342,438,970

- Form 8-The purpose of this form is to allow applicants to describe, in detail, the resources available, or to be made available, for each activity. Applicants are encouraged to provide sufficient quantifiable data and to describe supporting efforts for the proposed program.

Georgia Department of Community Affairs

DCA Forms

Archaeological Information:

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

YES ☐ NO ☐ (If NO, continue on to the next section.)

Are there any known or suspected archaeological or "Indian" sites in the project area?

YES ☐ NO ☐ If YES, explain:

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

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

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

Building and Structure Information:

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, Georgia by HPD.]

Are there any other buildings or structures 50 years of age or older presently in the project area?

YES ☐ NO ☐

Are there any other buildings or structures 50 years of age or older in the immediate vicinity (within 1/4 mile distance) of the project area?

YES ☐ NO ☐

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

YES ☐ NO ☐ DO NOT KNOW ☐

Georgia Department of Community Affairs

DCA Applicant Form 9

**Georgia Department Of Community Affairs
CDBG/EIP Program
Environmental Review Information**

Instructions:

CDBG Projects will be subject to a local environmental review process that must be completed prior to the start of any funds for the project.

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

Compliance with the environmental review process (especially floodplain, wetland and historic preservation) 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. Applicant should consult the Floodplain maps, Georgia Department of Natural Resources Floodplain Section (404-656-6382) or the Wetland maps, Georgia Department of Natural Resources Wetland Section (404-656-6382) for assistance. For more information, call the Service (1-800-344-9453), your local RDC or DCA for assistance in identification of floodplains or wetlands.

Is the project located within a designated floodplain? YES ☐ NO ☐

Is the project located within a designated wetland? YES ☐ NO ☐

Is the community participating in the FEMA National Flood Insurance Program? YES ☐ NO ☐

What measures are to be carried out in the floodplain or wetland:

Historic Resources:

This information will be used by the Historic Preservation Division (HPD) of the Department of Natural Resources to conduct an preliminary assessment of any project effects on historical, architectural, and/or archaeological resources. This review is required for all projects eligible for listing on the National Register of Historic Places. This review is required for all projects under the National Historic Preservation Act of 1966, as amended.

This form requires applicants to complete an early review by HPD to identify compliance issues. Since completion of the NHPA may affect project schedules and budget, the applicant is advised to address these issues early in the project. DCA-7 and DCA-8.

Questions on the following two pages should be answered after defining the project's area of potential impact and the historic area or areas within which an undertaking may cause changes in the character or use of the area. [36 CFR 800.16(d)].

- Form 9- The purpose of this form is to assist applicants with compliance of NEPA regulations
- Form 9 DCA form, 9A Historic Preservation , 9B When to consult with Tribes

DCA Forms

- Form 10- the purpose of this form is to confirm applicants has followed and will adhere to applicable Federal laws that apply to Federally-funded projects

DCA Applicant Form 10

Georgia Department Of Community Affairs CDBG/EIP Program Certified Assurances

This Certified Assurances form must be completed and signed by the Applicant's Certifying Representative. It must be included in the Application submission.

ASSURANCES

The Applicant hereby certifies and assures that:

- (a) It possesses legal authority to apply for the grant, and to execute the proposed program.
(b) Its governing body has duly adopted or passed as an official act, a resolution, motion, or similar action, authorizing the filing of an application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application, and to provide such additional information as may be required. Evidence of this action by its governing body must be included in this application.
- It has provided citizens an adequate opportunity to participate in the development of the application by:
 - holding at least one public hearing in the locality before submission of the application. The previous CDBG program's activities were discussed, and public input into the development of the subject application was obtained at the public hearing; information was provided on the estimated amount of funds proposed to be used for activities benefiting low and moderate income persons, and plans to minimize displacement as a result of activities and plans to assist displaced persons were discussed;
 - maintaining files that contain documentary evidence that the hearing was held. The evidence includes a copy of the actual notice of public hearing.
 - the citizen participation process meets the requirements of the Georgia DCA Citizen Participation Plan as outlined in the DCA, CDBG regulations.
- Its chief executive officer, or other officer of applicant approved by DCA:
 - Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA), and other provisions of Federal law, as specified in 24 CFR Part 58 and 40 CFR Part 1500-1508, which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Part:
 - Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.
- The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low and moderate income families, or aid in the prevention or elimination of slums or blight

OR

 - The Community Development Program has been designed 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.

DCA Forms

- Form 11- this form is only applicable to joint applications.
- The cooperating agreement determines the lead agency and acknowledges an agreement between jurisdictions as applicants to the program

DCA Applicant Form 11

**Georgia Department Of Community Affairs
CDBG/EIP Program
Cooperating Agreement – Sample Format**

(For joint or regional applicants only)

This Agreement, entered into between (name of jurisdiction) and (name of jurisdiction), does hereby provide for said jurisdiction to jointly apply for a Georgia Small Cities CDBG/EIP grant 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/EIP 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 and title of chief elected official)

Attest:

(Signature of clerk or other authorized official)

By: _____
(Type name and title)

(Seal)

DCA Forms

- Form 12-Purpose of this form is where Applicants submit map(s) that are clearly legible and will enable DCA staff to find the proposed activity site(s) without local assistance during a site visit

DCA Applicant Form 12

Georgia Department Of Community Affairs CDBG/EIP Program Maps

Applicants must submit map(s) which are clearly legible and will enable the DCA staff to find the proposed activity site(s) without local assistance during a site visit.

All map(s) must include a scale, north arrow and legend. More than one scale of map may be used to show detail but the scale(s) must be indicated on the respective maps. The larger community-wide map should indicate the boundary of the area represented by the more detailed map. More than one type of requested information could be included on the map if it is clearly legible. A **legend** must be included to indicate what different colors or patterns represent.

Maps must include the following information:

1. Project activity location(s). For housing and multi-activity projects this includes to the extent feasible all existing conditions and proposed improvements identified on form DCA-4 (i.e., house by house analysis of renter/owner, occupied/ vacant/standard/deteriorated/dilapidated/acquisition/relocation/demolition, conventionally-built manufactured homes, lot sizes, etc.). **All project activity maps should include existing land use information, i.e., lot lines, housing, commercial and industrial units, and if possible, whether units are owner or renter occupied.**

For public facility activities show the locations of facilities proposed, together with the location(s) of the facilities to be replaced. For public utility projects (water, sewer, etc.), show the location of each housing unit in the service area. For buildings, show existing and proposed locations.

2. Project activity service area(s);
3. For the applicant's jurisdiction, the location of areas with a concentration of low and moderate income persons, including number and percentage, if available;
4. For the applicant's jurisdiction, the location of areas with concentrations of minorities, including number and percentage, if available; and
5. For the applicant's jurisdiction, the location of areas with concentrations of substandard and deteriorated housing, including number and percentage, if available.

If the community has low and moderate income persons, substandard housing units and/or minority people dispersed throughout the community, indicate this on the map's legend; and

- 1) Display the information listed above in items 1 and 2;
- 2) Indicate the number and percent of minorities, low and moderate income persons, and substandard housing, as appropriate, located within the jurisdiction making application; and
- 3) Provide the same data for the EIP service area(s).

Any required information excluded from required maps may lead to a reduction in the strategy score.

DCA Forms

- Form 13-most applicants must complete all parts of the form. Part 2 threshold determination

Reset Form

DCA Applicant Form 13

Georgia Department Of Community Affairs CDBG/EIP Program Disclosure Report

Part I – Applicant/Recipient Information

- Name of CDBG/EIP Applicant or Recipient: _____
- Indicate if this is: Initial Report ☐ Updated Report ☐
- Grant Number (if Updated Report): _____
- Project Funding:
 - CDBG/EIP Amount Requested or Received: \$ _____
 - Program Income to be used: \$ _____
 - TOTAL CDBG/EIP Assistance: \$ _____ 0.00

Part II – Threshold Determination

	Yes	No
1. Does the amount listed above at Part I, 4c exceed \$200,000?	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you received or applied for any other HUD assistance that when added to 4c exceeds \$200,000?	<input type="checkbox"/>	<input type="checkbox"/>

If the answer to either Part II, 1 or Part II, 2 is YES, then you must complete the remainder (Part III through VI) of the Disclosure Report (you do not need to sign below, signature in this case is in Part VI).

If the answer to both Part II, 1 and Part II, 2 is NO, then you are not required to complete the remainder of this Report BUT you must sign the following Certification and include the Report in your Application for EIP assistance.

CERTIFICATION

I hereby certify that this information is true:

 (Signature of Certifying Official)

 (Date)

 (Typed or Printed Name and Title)

EIP and RDF Capitalized Revolving Loan Funds(RLF's)

Local Revolving Loan Funds

EIP/RDF loan repayments capitalize local RLF loan. The repayments (including interest), and bank account interest retain federal identity. This is considered program income.

RLFs may be used for local CDBG eligible economic development needs.

Opportunities available to partner with local banks to finance eligible activities (same as EIP) that create employment for L/M persons.

50/40/10 Rule: Project funded with 50% RLF, 40% local bank, and 10% private funding.

RLF Program

Eligible Activities

- ☐ Loans to private, for-profit entities that:
Creates/retains jobs for low-and moderate-income persons;
- ☐ Prevents or eliminates slums and blight; or
- ☐ Assists businesses that provide goods or services needed and affordable to, low-and moderate-income persons.
- ☐ Loans for activities carried out by public or private nonprofit
- ☐ Entities for Acquisition, construction, reconstruction, réhabilitation, or installation of (i) public facilities site improvements,
- ☐ utilities, and (ii) commercial or industrial buildings

Ineligible Activities

- ☐ Capacity building
- ☐ Refinancing
- ☐ Inventory/receivable financing
- ☐ Speculative real estate development
- ☐ Relocation costs
- ☐ Office equipment, small tools, supplies
- ☐ General conduct of government

Ineligible Activities



Creation of a job that would cost more than \$40,000 in RLF funds per job



Reimbursement of project costs prior to submission of RLF application



Refinancing of permanent debt



Payment of delinquent taxes or debt



Product development costs



General government expenses



Political activities

Creating a Loan Committee

- A Local Loan Review Committee should be established to accept and review applications for the RLF and make recommendations to the (City Council/Board of Commissioners) for funding. Local Policies and Procedures governing the Committee, along with membership, shall be determined by the (City Council/Board of Commissioners) and approved by DCA.
- The Committee should be staffed primarily by individuals who have the necessary skills to analyze proposals and determine whether they represent prudent investments. Local bankers, CPAs, attorneys and other professionals with banking, finance and legal experience make ideal candidates for the committee. To date, most existing review committees are made up of five (5) to seven (7) members. Over half of the members should be drawn from these professional groups, and to the greatest extent possible include women, minority, and low- and moderate income group representation. It is often wise to minimize the number of local elected officials on the committee, partly to ensure sufficient representation by finance professionals and partly to limit political exposure. A rule of thumb is that no more than 50 percent of the committee should be elected or appointed public officials.

Local Government Responsibility



MAINTENANCE OF ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM THAT COMPLIES WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS AND DCA'S GUIDELINES FOR RLF FINANCIAL MANAGEMENT SYSTEMS.



MAINTENANCE OF A LOAN SERVICING AND MONITORING CAPACITY TO ENSURE THAT LOAN PAYMENTS ARE COLLECTED, THAT LOAN COVENANTS ARE ENFORCED, AND THAT LOAN SECURITY IS MAINTAINED.

COMPLIANCE ISSUES

Cash

- Having too much cash on hand can put your RLF out of compliance.
- RLFs may keep the greater of \$125,000 or 30% of total assets on hand in cash.

Loans

- Local RLFs must have made a loan within the last 5 years.

Reports

- A community can be noncompliant if they have not submitted a semi-annual report in the last 6 months.
- These are due two times per year and just one delinquent report can put your RLF out of compliance.

COMPLIANCE

Keep your RLF open

Depending on the circumstance, you may need to... or

- ☐ Send cash back to DCA,
- ☐ Make a new loan, or
- ☐ Send in delinquent semi-annual reports

Close your RLF

Closing your RLF can allow for you to receive bonus points on your CDBG annual competition application. This includes sending back all program income and if applicable, working with us to determine how receivables will be paid back to DCA.

Making a New Loan

As of January 31st, 2020, RLF Loan Compliance Review Forms are required for every loan.

This form should be submitted to DCA prior to issuing a loan to a business.

DCA RLF Loan Compliance Review Form

Local Government: _____ Date: _____

Project/Business Name: _____

Project/Business Address: _____

Total Project Cost: \$ 0.00 Project Activity: _____

Project Funding Mix

Funding Source	Dollars	Percentage	Use/ Activity
RLF		0.00%	
Bank		0.00%	
Owner		0.00%	
Other		0.00%	
Total	\$ 0.00		

RLF Loan Details

RLF Loan Amount	Interest Rate	Loan Term	Use of Funds
	%		

Total Jobs Created: _____ Low/Mod Jobs Created: _____ RLF Dollars/Job Ratio: _____

Collateral: _____

Anticipated Public Hearing Date: _____

Loan Review Committee Members:

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

☐ Check box to indicate loan meets Local RLF Policies & Procedures

Date RLF Policies & Procedures were approved: _____

Local Government CEO

Name: _____ Signature: _____

Date: _____

.....
DCA Approval Date: _____ By: _____

Reports

Reporting Periods

December 31st, 2025
Semi Annual Report due
January 31st, 2026

June 30th, 2026
Semi Annual Report due
July 31st, 2026

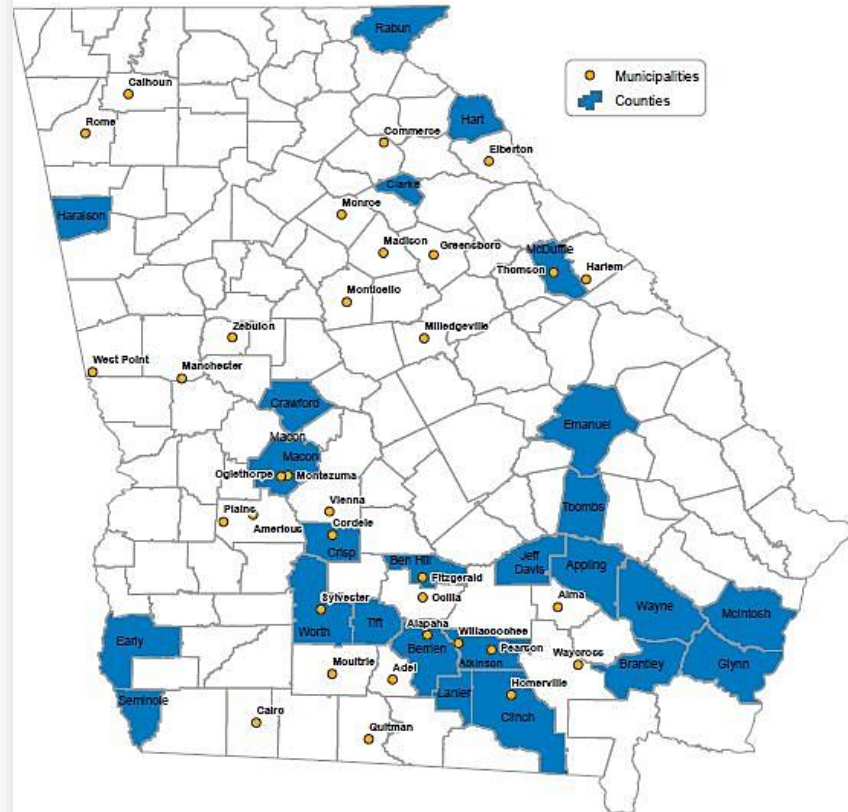
Local Revolving Loan Fund Semi-Annual Report For the period ending: _____		
Name of Local Government: _____		Contact Person: _____
Chief Elected Official's Signature: _____		Contact's Phone: _____ Email: _____
Section 1 Job Totals What is the cumulative number of jobs that have been created from all EIP/RLF projects? _____ What percentage of the total number of jobs created has gone to low/moderate income persons? % _____	Section 3 Balance Sheet (cumulative) Assets Cash or cash equivalents _____ Loans Receivable _____ Less Uncollectible _____ Net Loans Receivable _____ Lease Payment Receivable _____ Fixed Assets _____ Other Assets _____ Total Assets _____	Section 4 Schedule of Loans & Lease Receivables Loan Information Name of Business: _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____ Name of Business: _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____
Section 2 Statement of Revenues and Expenditures Revenues Interest earned from: Bank account _____ Notes receivable _____		

Local Revolving Loan Fund Semi-Annual Report For the period ending: _____		
Name of Local Government: _____		Contact Person: _____
Chief Elected Official's Signature: _____		Contact's Phone: _____ Email: _____
Section 4 continued Schedule of Loans & Lease Receivables Loan Information Name of Business: _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____	Name of Business: _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____ Name of Business: _____ Date RLF loan was made _____ Amount of original loan principal: _____ Rate and term of loan: _____ Use of loan proceeds: _____ Amount of principal remaining: \$ _____ Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____	

Section 5 Loan Review Committee Members	Section 6 Loan Servicer
Name: _____ Title: _____	Entity Servicing Loans: _____
Name: _____ Title: _____	Contact Person: _____
Name: _____ Title: _____	Contact Email: _____
Name: _____ Title: _____	Contact Phone Number: _____
Name: _____ Title: _____	
Name: _____ Title: _____	

RLF Impact

A Revolving Loan Fund has been established
in **58 communities** across Georgia



PROGRAM STATISTICS

58	- Total RLF Programs
1,880.95	- Total Assets
9,500.10	- Total Receivables
5,731.85	- Cash on Hand

Georgia Department of
Community Affairs

Thanks!

- Faith Kae, Economic Development Consultant
- *DCA-Office of Community Development*
- *Faith.Kae@dca.ga.gov* or *CDBG.BIZ@dca.ga.gov*