



Georgia<sup>®</sup> Department of   
**Community Affairs**

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

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

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# What brought you to the 2024 CDBG Applicant Workshop?

Waiting for responses ...



**Community Development Block Grant (CDBG) enacted by Congress as Title I of Housing and Community Development Act of 1974.**

**The primary objective of CDBG is “the development of viable communities through improvement of living conditions, housing and the expansion of economic opportunities in cities and counties, principally for persons of low and moderate income.”**

# Overview

- 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

# Four Routes to Economic Development with CDBG



1. Employment Incentive Program;
2. Redevelopment Fund Program;
3. Local Revolving Loan Fund (generated by EIP or RDF loans)
4. Annual Competition CDBG.

# Differences of Economic Development Programs

## Annual Competition (CDBG-Economic Development)

- One annual submission
- Compete against rating and review process and other applications
- Complete Application without exceptions

## Set-Asides (EIP/RDF)

- Anytime submission
- Compete against rating and review process
- Complete application with second change



# 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

# Available Funding: Georgia

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

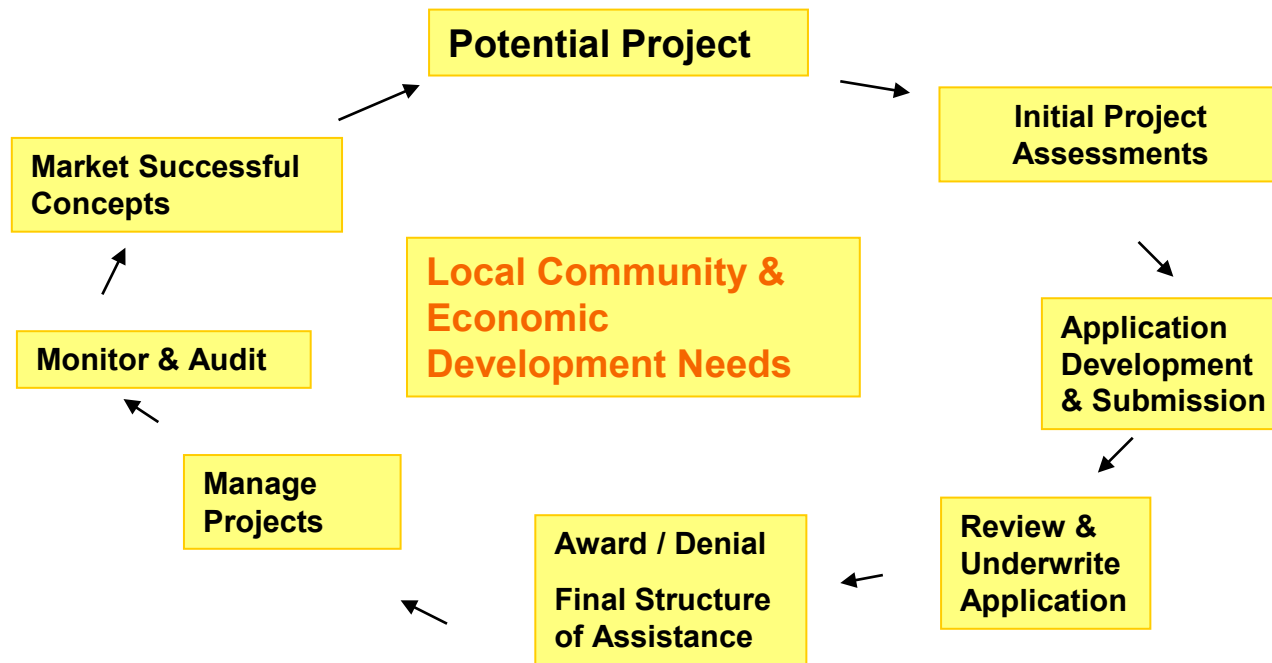
<b>HUD Authorization</b>	<b>\$41,389,514</b>
<b>EIP</b>	<b>\$4,000,000 set-aside</b>
<b>RDF</b>	<b>\$1,500,000 set-aside</b>
<b>Immediate Threat</b>	<b>\$500,000 set-aside</b>

# Maximum Award Amounts

<b>EIP</b>	<b>\$1,000,000 set-aside</b>
<b>RDF</b>	<b>\$1,000,000 set-aside</b>
<b>Immediate Threat</b>	<b>\$50,000 set-aside</b>

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

# Organizational Processes



# Review & Underwrite Application Timeline

## IPA Received

- PACA Letter Issued
- 7 days

## Program Application Submitted

- 90 days

## Completeness Checklist

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

## Staff Review Panel

- (45 days)

# 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.

# In other words, this is how it works:

- Community contacts DCA Field Representative about a potential project. In some cases, various funding sources may be considered for funding on a large-scale project.
- Ideally, DCA conducts an Initial Project Assessment or Pre-Application visit to assist a potential applicant in understanding process & programs.
- DCA reviews IPA Pre-App and recommends eligible financing strategy in written response.
- Community prepares and submits application for DCA review. If the application is incomplete, the applicant is notified in writing of items needed to allow for a competitive application.

# How it works, continued:

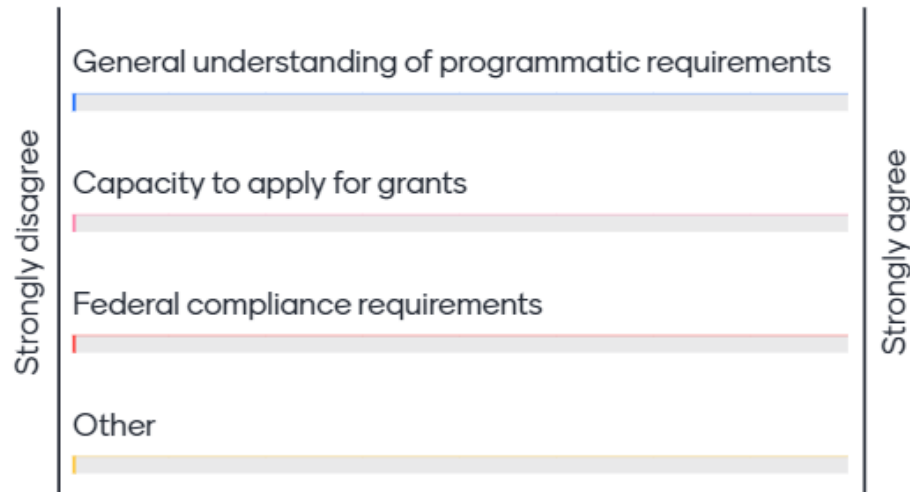
- Application reviewed based on rating and selection criteria.
- Award or denial of application.
- Grant/loan management processes start – technical assistance provided through site visits.
- Monitors project at intervals to ensure compliance with Award.



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# What barriers prevent you from applying to the set-aside CDBG programs (EIP/RDF)?



# Employment Incentive Program

## □ Purpose

The Employment Incentive Program (EIP) is intended to **facilitate and enhance job creation and/or retention, principally for low- and moderate-income persons**, by providing a flexible and expedient 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

Eligible applicants include 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.***

# Compliance Requirements Continued

- Build America, Buy American, Act (BABA) Requirements for CDBG Projects
  - Enacted in the Infrastructure Investment and Jobs Act signed by President Biden on November 15, 2021.
  - ⑩ Requires that products purchased in connection with infrastructure projects funded by Federal financial assistance programs must be produced in the United States.
    - ⑩ This requirement is known as the “Buy America Preference (BAP).”
  - ⑩ The following products used in Federally funded infrastructure projects must be produced in the United States:
    - ⑩ Iron and steel;
    - ⑩ Manufactured products; and
    - ⑩ Construction materials.
  - ⑩ For the purposes of BABA, an infrastructure project is defined as any project that includes the following activities:
    - ⑩ Construction,
    - ⑩ Alteration,
    - ⑩ Maintenance,
    - ⑩ Repair.

# What to consider before starting Application

- ❑ Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA)
  - ❑ Property Acquisition
  - ❑ Relocation Assistance
- ❑ Section 104(d) of the Housing and Community Development Act (1:1 replacement)
- ❑ National Environmental Policies Act (NEPA) and Floodplain and Wetland Protection
- ❑ Citizen Participation
- ❑ Historic Preservation Compliance
- ❑ Labor Standards (Davis-Bacon)
- ❑ Civil Rights/Fair Housing and Equal Opportunity (FHEO)
  - ❑ Section 3
  - ❑ Affirmatively Furthering Fair Housing
  - ❑ Limited English Proficiency (when applicable)

# 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) Acquisition, 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 .

# Employment Incentive Program

## Eligible Activities

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

\*Such assistance may not be in the form of outright grants, guarantees, or technical assistance.

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

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

# Employment Incentive Program

## Eligible Activities

- Provision of assistance to local governments and/or other local public authorities to fund facilities that assist low- and moderate-income persons to acquire employment, the employment skills, and/or basic educational training to become more effective participants in the local economy.

\*Eligibility for activities will be limited to "new" activities that have not previously been undertaken by the local government or local development entity

# CDBG ED Grants - Examples Eligible Activities

- ❑ Public water and sewer systems (e.g. distribution and/or collection lines), wastewater treatment projects, rail spurs, and various other types of public facilities.
- ❑ Financing for fixed assets including land, new facilities, rehabilitation of existing facilities, machinery, equipment, etc.

# 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)

# 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

# HUD Income Guidelines

Please Circle # of Persons in your Household Below	Please check the income range of your combined annual household income <u>IN THE SAME ROW</u> as the number of persons living in your household. <i>Combined annual household income is the total amount of income that all the members of your household make within a year.</i>				
1	_____ \$0 - \$13,590	_____ \$13,591 - \$22,200	_____ \$22,201 - \$35,500	_____ Greater than \$35,500	
2	_____ \$0 - \$18,310	_____ \$18,311 - \$25,350	_____ \$25,351 - \$40,550	_____ Greater than \$40,550	
3	_____ \$0 - \$23,030	_____ \$23,031 - \$28,500	_____ \$28,501 - \$45,600	_____ Greater than \$45,600	
4	_____ \$0 - \$27,750	_____ \$27,751 - \$31,650	_____ \$31,651 - \$50,650	_____ Greater than \$50,650	
5	_____ \$0 - \$32,470	_____ \$32,471 - \$34,200	_____ \$34,201 - \$54,750	_____ Greater than \$54,750	
6	_____ \$0 - \$36,750	_____ \$36,751 - \$36,750	_____ \$36,751 - \$58,800	_____ Greater than \$58,800	
7	_____ \$0 - \$39,250	_____ \$39,251 - \$39,250	_____ \$39,251 - \$62,850	_____ Greater than \$62,850	
8 or more	_____ \$0 - \$41,800	_____ \$0 - \$41,800	_____ \$41,801 - \$66,900	_____ Greater than \$66,900	

# of Persons	Poverty (30%)	Very Low	Low (80%)	(over income)
1	Less 17,300	Less 28,850	Less 46,100	More
2	Less 19,800	Less 32,950	Less 52,700	More
3	Less 22,250	Less 37,050	Less 59,300	More
4	Less 24,700	Less 41,150	Less 65,850	More
5	Less 26,700	Less 44,450	Less 71,150	More
6	Less 28,700	Less 47,750	Less 76,400	More
7	Less 30,650	Less 51,050	Less 81,700	More
8	Less 32,650	Less 54,350	Less 86,950	More

# 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.



# Low- and Moderate-Income Jobs Criteria Continued

- For employment skill enhancement and/or basic educational training activities/services, at least 51% of the recipients of such services must be documented to have been low- and moderate-income persons at the time such services were provided.
- The application is **required** to contain a list of prospective full-time permanent jobs along with a breakout of those positions that involve the employment of low- and moderate- income persons. The jobs to be created or retained should be listed by job title, salary or wage scale, and skill requirements.

# 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
- ❑ Basic Requirements:
  - The property owner must be offered the Fair Market Value (FMV) of the property based on an appraisal;
  - Prior to the purchase offer, owners must be provided with information concerning their rights under the law; and
  - Donations are possible but only after the owner has been informed of the government's obligation to pay FMV and executes a waiver.
- ❑ 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.
- ❑ This generally includes the completion of an environmental assessment, documenting actions taken to comply with other environmental laws
- ❑ Environment assessment does not have to be complete at time of application

# Pre-application Reminders

- Applicants must consult with tribes to determine whether a project may adversely affect historic properties of religious and cultural significance, and if so, how the adverse effect could be avoided, minimized or mitigated.” This is applicable to projects on and off tribal lands and to many of Georgia’s CDBG/EIP Recipients.
- The HUD Notice (CPD-12-006) and the HUD Assessment Tool describe in detail the required protocol. Note that the revised Request for Release of Funds and Certification (form HUD 7015.15) includes a certification that this protocol was followed.

# 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.*

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:		Census Tract Number:
4. County:	10. Telephone Number:	
5. State House District(s):	Email:	Census Block Group Number
6. State Senate District(s):		
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"/>
		<small>If this is a submission by joint or regional applicants, please attach a copy of your cooperating agreement.</small>
		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: _____		



# 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

DCA Applicant Form 4 Reset Form

Georgia Department of Community Affairs  
CDBG/EIP Program  
Description of Needs to be Addressed

Applicant: \_\_\_\_\_

Original  Amendment, dated: \_\_\_\_\_

\_\_\_\_\_

# 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 Reset Form

**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 1 of 1 Pages    DCA Form 5 EIP (2014) v.01



### DCA Applicant Form 6

Reset Form

Georgia Department of Community Affairs CDBG/EIP Program Low and Moderate Income and Civil Rights Benefit Calculation									
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		
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			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		<b>SUB TOTAL</b>					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		<b>SUB TOTAL</b>					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		<b>TOTAL GRANT COSTS (sum of 48 through 51)</b>					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		<b>Total Program Costs (Sum: Lines 1 through 7)</b>					342,438,970



# 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 (a 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

## 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 if any funds for the project.

entails environmental compliance issues requiring special attention by the applicant. Detailed review process is provided at the Recipients' Workshop.

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.

#### Wetland Compliance:

must determine if the project is located in or will affect a floodplain or wetland area. Applicant should consult Georgia Department of Natural Resources Floodplain Section (404-656-6382) or your local RDC or DCA for assistance in identification of floodplains or wetlands.

Project located within a designated floodplain? YES  NO

Project located within a designated wetland? YES  NO

Community participating in the FEMA National Flood Insurance Program? YES  NO

Activities to be carried out in the floodplain or wetland:

#### Resources:

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

Encourage applicants to complete an early review by HPD to identify compliance issues. Since projects under the NHPA may affect project schedules and budget, the applicant is advised to address these issues on DCA-7 and DCA-8.

Questions on the following two pages should be answered after defining the project's area of potential impact and areas within which an undertaking may cause changes in the character or value of any such properties exists" [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:

- It possesses legal authority to apply for the grant, and to execute the proposed program.
  - 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

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- 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

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- 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

DCA Applicant Form 13 Reset F

**Georgia Department Of Community Affairs  
CDBG/EIP Program  
Disclosure Report**

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**Part I – Applicant/Recipient Information**

1. Name of CDBG/EIP Applicant or Recipient: \_\_\_\_\_

2. Indicate if this is:    Initial Report       Updated Report

3. Grant Number (if Updated Report): \_\_\_\_\_

4. Project Funding:

a. CDBG/EIP Amount Requested or Received:      \$ \_\_\_\_\_

b. Program Income to be used:      \$ \_\_\_\_\_

c. TOTAL CDBG/EIP Assistance:      \$ \_\_\_\_\_ 0.00

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**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 t 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 Rep 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:

\_\_\_\_\_ (Date)

\_\_\_\_\_ (Signature of Certifying Official)

\_\_\_\_\_ (Typed or Printed Name and Title)

# 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 DCA Applicant Forms | Georgia Department of Community Affairs \(ga.gov\)](#)

Community & Economic Development > Funding Programs > Community Development Block Grants (CDBG) > Employment Incentive Program

## Documents

Parents

Search

Sort by

Order

[EIP DCA Applicant Forms](#) -  
Forms

[EIP Initial Project Assessment Forms](#) -  
Forms

# 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.

# 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 EIP project. If the County still intends to submit an application.

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

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

## **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.
- ◆ 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 in addition to USGS topographic maps from the 7.5 minute, 1:24,000-scale quadrangle series.
- ◆ 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)

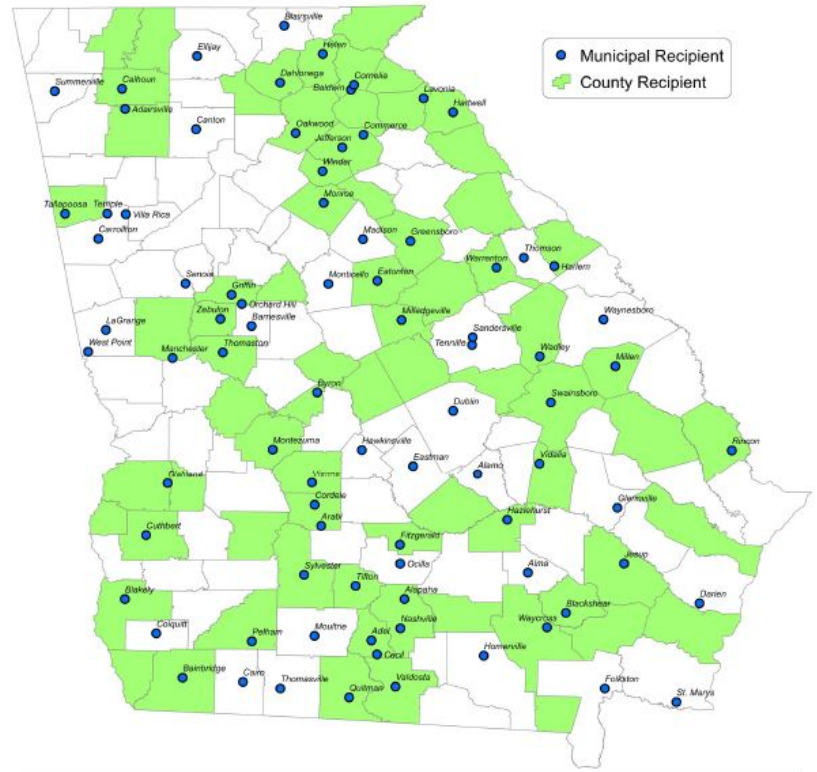
- ◆ The number of jobs/beneficiaries created and/or retained;
- ◆ The EIP/CDBG cost per job/beneficiary;
- ◆ The availability of jobs or benefit to low/mod income persons;
- ◆ The project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement;
- ◆ 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

# Potential Bonus Points

- ❑ Bonus for Return of RLF Assets (25 points) ♦ Localities which have a local Revolving Loan fund (RLF) or loan receivable capitalized with EIP or CDBG proceeds may, at their discretion, return the RLF assets to the State in exchange for greater consideration and access to future EIP financing for eligible projects.
- ❑ The consideration will consist of an extra 25 points for use in any one EIP funding decision. In order to receive the points, a locality must return all RLF assets to the state to remove itself from the administrative requirements of the RLF program. This will generally require that a locality "sell" its loan receivable and return all cash on hand to DCA. For projects that would otherwise not score sufficient points to be funded, Bonus Points may be awarded at the discretion of the EIP application review panel.

# 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



# 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**



# 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)
- ❑ New housing construction except under certain conditions
- ❑ Acquisition of furnishings, movable equipment, machinery, land write-downs

# 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.

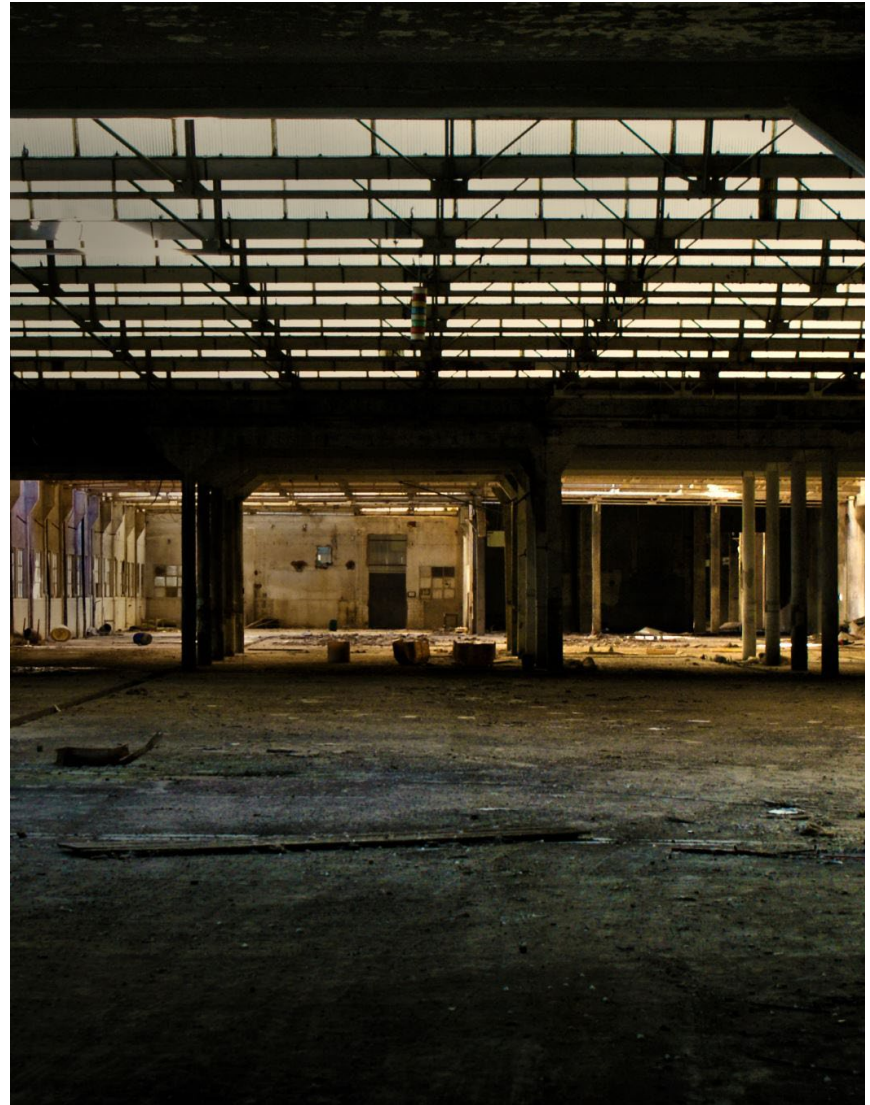
- Activities under this category are limited to :
  - Acquisition
  - Clearance
  - Relocation
  - Historic preservation
  - Building rehabilitation activities\*

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

# Spot Basis

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- 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.

**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
<b>TOTAL</b>	<b>\$2,110,917</b>	<b>TOTAL</b>	<b>\$2,110,917</b>

# Successful Area Basis Project



**City of Madison –  
Canaan Corner Store**

# 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

# 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>

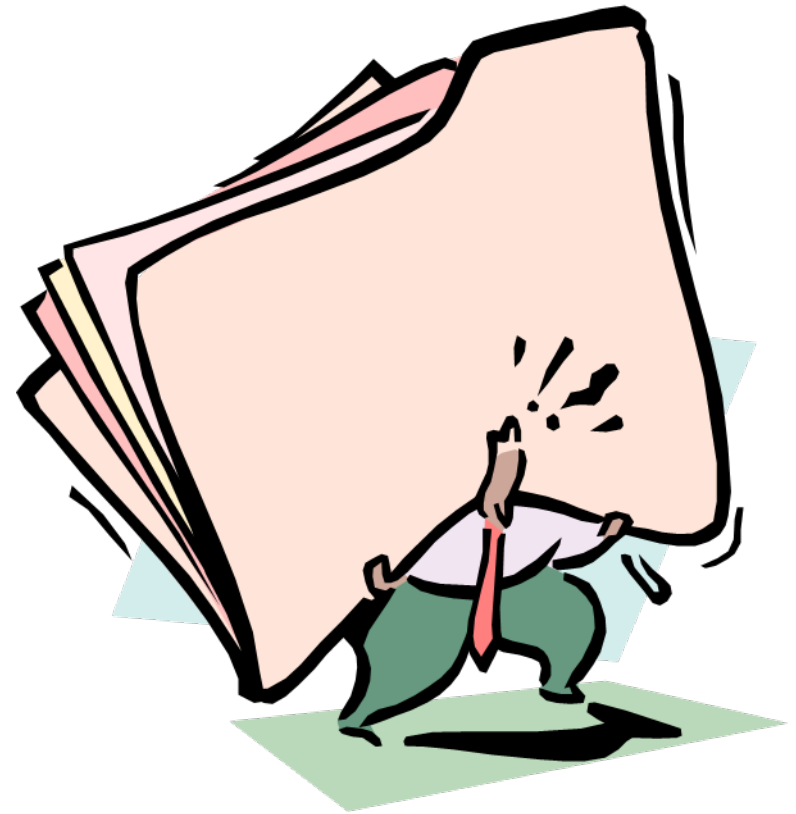
**Total Project Cost**

**\$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



# Restrictions on Eligibility for Competition

- Same as EIP and ITAD Programs
  - The Georgia Planning Act,
  - The Service Delivery Strategy Act (HB 489),
  - The Solid Waste Management Act,
  - DCA Local Government Finance Report requirements, and
  - Local Government Audit Act

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

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

## RDF Ranking System

- Must score a minimum of 375 points for eligibility

# Demographic( 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);
- ◆ 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
- ◆ A project's conformance to federal, state, and local laws and regulations.

# 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**

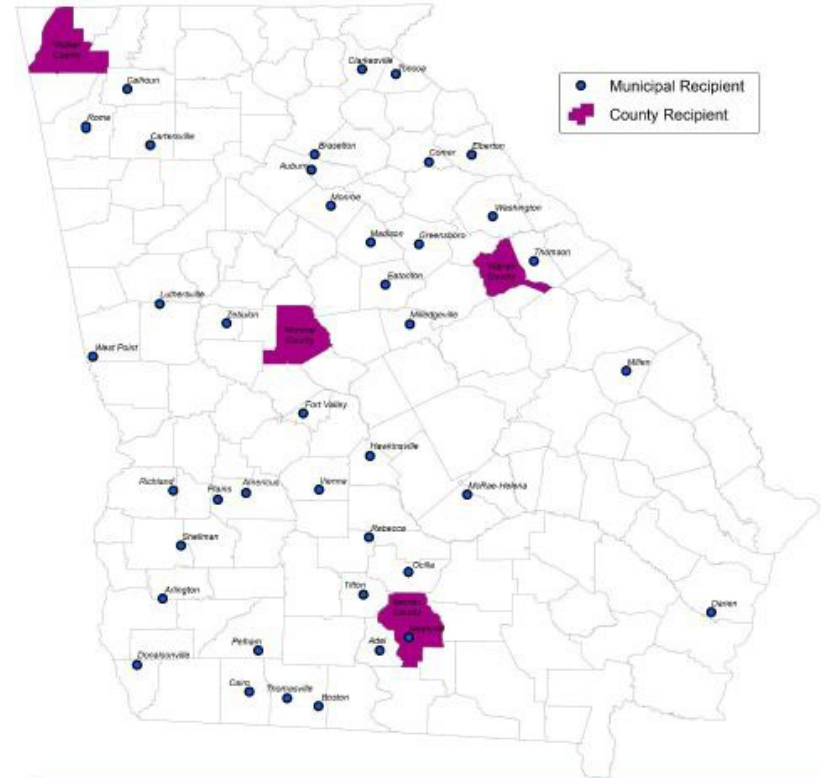


# Application Forms

- 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



# Immediate Threat and Danger (ITAD)

## Purpose

- The Immediate Threat and Danger (ITAD) Program has been established by a set-aside of Federal Community Development Block Grant (CDBG) funds.
- 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

# 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

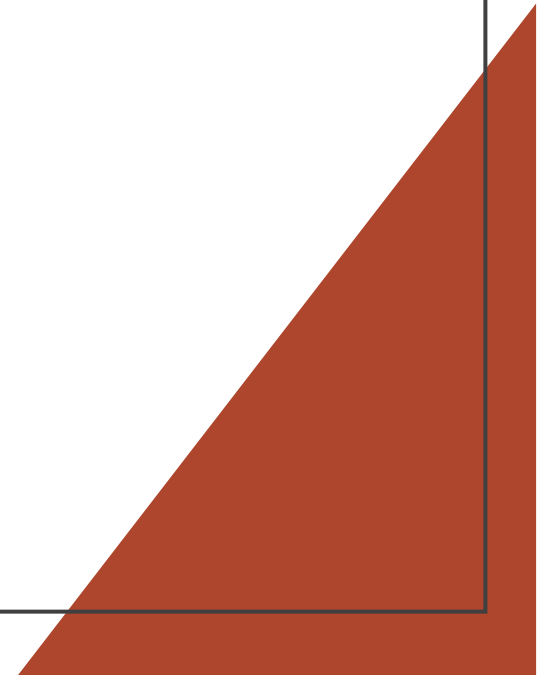
- ❑ Applications can be submitted at any time and funds will be awarded to eligible applicants which meet the threshold
- ❑ Applications must be submitted to DCA on the forms. Note that this includes a certification that other financial resources are not available to meet the identified need and that 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

# 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.



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



# Eligible Activities

- DCA encourages local governments to think creatively and devise innovative approaches to implementing their RLF policies.
- Local RLF's can use funds...
  - Funding gap for large projects – may request one-time waiver to DCA, if necessary,
  - Working capital loans, and
  - Overall, for activities which are carried out by public or private nonprofit entities that fulfill a National Objective.

# 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

# 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

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

# 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

- 1<sup>st</sup> or shared 1<sup>st</sup> 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)

# 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.

# 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.

# **What Can I Do If My RLF Is Out Of Compliance???**



# COMPLIANCE

## Cash

- Having too much cash on hand can put your RLF out of compliance.
- RLFs can up to either \$125,000 or 30% of their total assets in cash, whichever calculation is greater.

## 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

Close your RLF to received 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

Every community should have signed and emailed back a Certification of Receipt of this new process

## 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%	
<b>Total</b>	\$ 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 ( add animation for page 2 of report)

December 31st, 2022  
Semi Annual Report due  
January 31st, 2023

June 30th, 2023  
Semi Annual Report due  
July 31st, 2023

December 31st, 2023  
Semi Annual Report due  
January 31st, 2024

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: _____
<p><b>Section 1</b> <b>Job Totals</b> What is the cumulative number of jobs that have been created from all EIP/RLF projects? _____</p> <p>What percentage of the total number of jobs created has gone to low/moderate income persons? % _____</p>	<p><b>Section 3</b> <b>Balance Sheet (cumulative)</b></p> <p><u>Assets</u></p> <p>Cash or cash equivalents _____</p> <p>Loans Receivable _____ Less Uncollectible _____ Net Loans Receivable _____</p> <p>Lease Payment Receivable _____</p> <p>Fixed Assets _____</p> <p>Other Assets _____</p> <p>Total Assets _____</p>	<p><b>Section 4</b> <b>Schedule of Loans &amp; Lease Receivables Loan Information</b></p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p>
<p><b>Section 2</b> <b>Statement of Revenues and Expenditures</b></p>		
<p><u>Revenues</u></p> <p>Interest earned from:</p> <p>Bank account _____</p> <p>Notes receivable _____</p>		
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: _____
<p><b>Section 4 continued</b> <b>Schedule of Loans &amp; Lease Receivables Loan Information</b></p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p>	<p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p>	<p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p> <p><i>Name of Business:</i> _____</p> <p>Date RLF loan was made _____</p> <p>Amount of original loan principal: _____</p> <p>Rate and term of loan: _____</p> <p>Use of loan proceeds: _____</p> <p>Amount of principal remaining:\$ _____</p> <p>Is the loan current? <input type="checkbox"/> Yes <input type="checkbox"/> If No, explain _____</p>
<p><b>Section 5</b> <b>Loan Review Committee Members</b></p>		<p><b>Section 6</b> <b>Loan Servicer</b></p>
Name: _____ Title: _____		Entity Servicing Loans: _____
Name: _____ Title: _____		Contact Person: _____
Name: _____ Title: _____		Contact Email: _____
Name: _____ Title: _____		Contact Phone Number: _____
Name: _____ Title: _____		
Name: _____ Title: _____		

# Compliance ( explain percentage )

## Calculation for \$125,000 compliance

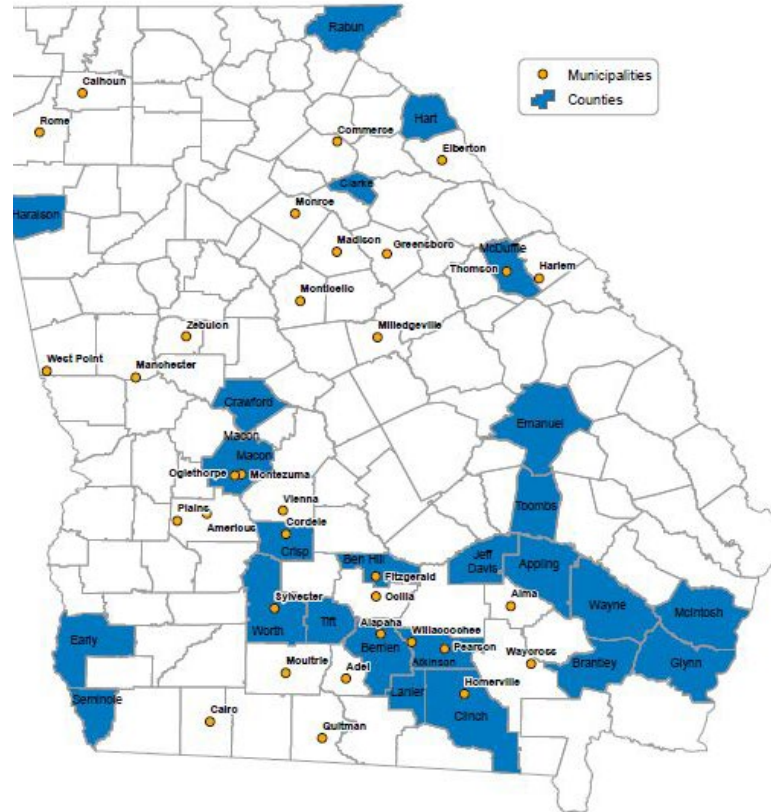
Name of Jurisdiction	Total Assets	NLR plus other assets	Cash	Current Percent	Cash to Return	New Cash Balance	New Asset Balance	New Percent
City of Kale	\$1,650,000	\$1,000,000.00	\$650,000.00	39.39%	\$525,000	\$125,000.00	\$1,125,000.00	11%

## Calculation for 30%

Name of Jurisdiction	Total Assets	NLR plus other assets	Cash	Current Percent	Cash to Return	New Cash Balance	New Asset Balance	New Percent
City of Kale	\$1,650,000	\$1,000,000.00	\$650,000.00	39.39%	\$221,428.57	\$428,571.43	\$1,428,571	30.00%

# RLF Impact

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



## GRAM STATISTICS

- 58 - Total RLF Programs
- 95 - Total Assets
- .10 - Total Receivables
- 85 - Cash on Hand

# Thanks!

[dca.ga.gov](http://dca.ga.gov)