

PRELIMINARY NOTICE OF FUNDING AVAILABILITY

OneGeorgia Authority

Equity Program – Rural Workforce Housing Initiative

May 3, 2023

Please note that this Preliminary Notice of Funding Availability (“NOFA”) announcement and the availability of the funding described herein is subject to approval of the Amended Equity rules at the fourth quarter or Q4 2023 OneGeorgia Authority Board Meeting.

Pending approval of a necessary rules amendment by the Authority, OneGeorgia aims to launch the Rural Workforce Housing Initiative. Funding will be made available to assist local communities with housing development to address a shortage of housing stock that impacts the workforce economy.

The purpose of this NOFA will be to outline available financial assistance, in the form of grants and loans, for activities that result in housing that meets the needs of working families and others who may consider relocating to a community for employment reasons. Workforce housing funds will be awarded on a competitive basis to projects that demonstrate an ability to address:

- Ongoing workforce housing needs, as identified by a recent housing study;
- Difficulty satisfying workforce needs in communities or regions with low unemployment; or
- A community or regional commitment to expand and improve existing housing stock.

This initiative is intended to provide a flexible funding source to support any eligible activity that results in workforce housing. Examples of such activities include essential community infrastructure specifically needed to support new housing development, land acquisition (subject to public ownership requirements), and construction finance for workforce housing.

Grantees will be expected to demonstrate transformational change in workforce housing. OneGeorgia funds are offered to support housing affordability; therefore, resulting cost savings must contribute to the affordability of the per unit purchase price or rent extended to families who ultimately benefit from the activity.

A copy of this NOFA, the Application package, and other related materials will be available on the Department of Community Affairs’ website at the link listed below after clicking on the “Newsroom” tab: <https://www.dca.ga.gov/community-economic-development/funding-programs/onegeorgia-authority>

A. FUNDS AVAILABLE

The Amended Fiscal Year 2023 Budget includes approximately \$35 million for this initiative. This funding will be awarded at regular intervals through an ongoing, competitive grant cycle, subject to funding availability. The amount of funds available may be increased or decreased at the Authority’s discretion.

B. GRANT FUNDING LIMITATIONS

Infrastructure grants are limited to no more than \$2,500,000 per application and development. Construction finance is limited to no more than \$1,000,000 per applicant and development. The Authority reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA. Applications for less than \$250,000 will not be accepted;

however, the Authority reserves the ability to waive minimum and maximum funding limits at its discretion.

C. MATCHING FUNDS REQUIREMENT

Applications are expected to leverage other sources of funding – private debt or equity, philanthropic support, or other public funds. For applicants seeking assistance with infrastructure, there is no prescribed match requirement; however, leverage will factor into an application’s overall competitiveness. For developers seeking assistance with construction finance, the matching requirements are outlined in further detail in Section F.

D. ELIGIBLE APPLICANTS

Units of general-purpose local government (e.g., city, county, consolidated government), as well as local, regional, and state authorities, generally in partnership with a housing developer, are eligible to apply. The OneGeorgia Authority will also consider offering loans to private developers, including not-for-profits and community housing development organizations, to further the objectives of this initiative. Prospective applicants should consult the Authority with questions about eligibility.

Additional eligibility requirements include the following:

- Applicants may only submit applications for activities within OneGeorgia eligible and conditionally eligible counties. For purposes of this initiative, both eligible and conditionally eligible counties are considered eligible.
- Local government applicants must be in compliance with the audit report and grant certification form submission requirements contained in O.C.G.A. 36-81-7 and 86-81-8.1.
- Local government and authority applicants must be current and in compliance with all reporting, audit, and survey requirements, as required by statute.
- Prior recipients of OneGeorgia funding must resolve any outstanding audit and/or compliance monitoring findings or deficiencies prior to submitting an application. Sanctions associated with any other OneGeorgia grant will also apply to this initiative.

E. ELIGIBLE ACTIVITIES

This initiative is intended to provide flexible funding to support the development of workforce housing. Any OneGeorgia eligible activity will be considered for funding, subject to the following overarching objectives.

- 1) Any development designed to result in for-sale, single-family housing is expected to produce new housing supply with a sale price of no more than \$290,000 and no less than \$125,000. The intentional sale for any purpose other than owner-occupied housing, or the sale of more than a single parcel to any one entity is not permitted.
- 2) Any development designed to result in single- or multi-family rental housing must adhere to per unit costs of not more than \$290,000 per unit nor less than \$125,000 per unit. Properties must provide at least two bedrooms, essential services including acceptable broadband service, and rental rates that are affordable to households earning up to 100% of Area Median Income, where affordable is defined as consuming no more than 30% of the average household income and maintained for a period of at least 10 years.

- 3) Sale or lease activities not compliant with the parameters set forth under this NOFA are subject to penalties that will be addressed in the award documentation.
- 4) Rural Workforce Housing funding may be layered in project financing that includes other sources of public funds, e.g., HOME, CDBG, National Housing Trust Fund, or Tax Credits. However, applications will be scored based on overall competitiveness, which includes an appropriate mix of private and public financing. This program is not intended to provide gap financing for developments that are already substantially financed through other public funding programs.
- 5) Developments must comply with state environmental and historic preservation requirements.

F. APPLICATION PROCEDURES

The application process will differ slightly depending on the type of financial assistance requested.

Infrastructure Applications

- Applications for infrastructure funds are expected to complete an Initial Project Assessment to satisfy baseline eligibility requirements. Through this process, applicants will be offered technical assistance prior to Application submission. Applicants should be mindful of this requirement and the associated turnaround time (typically two weeks) in order to meet established Application deadlines.
- Each completed Application will first be reviewed to reconfirm eligibility and determine completeness. Then, Applications will be thoroughly vetted and competitively scored.
- The Authority will consider recommended Applications and make a final determination on any and all awards.

Construction Finance Applications

- Applications for construction finance are required to include private financing. In order to better coordinate with private lenders, Applications will be accepted on a rolling basis so long as funds remain available.
- Low-interest construction financing (0%-3%) will be available for up to 40% of total development costs or \$1,000,000 maximum. The expectation is that developers will contribute 10% of the total costs and finance at least 50% through other sources.
- The Authority anticipates delegating underwriting responsibility to the senior lender, where practical. Otherwise, underwriting will be conducted by the Georgia Housing Finance Authority and the Department of Community Affairs.

G. APPLICATION DEADLINES AND AWARD ANNOUNCEMENTS

For infrastructure requests, Initial Project Assessments (IPA) and full Applications must be submitted online. The link to access the IPA and the Application can be found at

<https://www.dca.ga.gov/community-economic-development/funding-programs/onegeorgia-authority> . (Hard copy applications will not be accepted.)

Fiscal Year 2024 submission deadlines are as follows:

- July 14, 2023 for September award announcement
- October 13, 2023 for December award announcement
- January 12, 2024 for April award announcement
- April 12, 2024 for June award announcement

For construction financing, Initial Project Assessments (IPA) and Applications will be accepted and awarded on a rolling cycle so long as funds are available. The IPA is the same for construction financing and infrastructure requests.

Successful applicants will receive written notice of award, including all necessary grant or loan documents, requirements, timelines, and other details.

H. TIMEFRAME FOR COMPLETION

OneGeorgia funds must be expended within the timeframe specified in the grant/loan award documentation, which is generally two years from the date of the award. For purposes of the Authority, "completion" is defined as 1) all activities for which funds were received are complete, 2) all awarded funding has been expended, and 3) all award close-out procedures have been finalized.

I. ADDITIONAL INFORMATION

The OneGeorgia Authority is the administrator of the Rural Workforce Housing Initiative. This initiative is subject to funding availability, and the Authority reserves its right to amend the initiative at any time. Use of funds is subject to all applicable state laws and regulations, as well as to the policies and requirements of the Department of Community Affairs and OneGeorgia Equity program.

For additional information, please contact Gina Webb, OneGeorgia Authority Director, at gina.webb@dca.ga.gov.