

# DCA's Role in Economic Development



November 2, 2016

Office Regional Services

# DCA: What we do

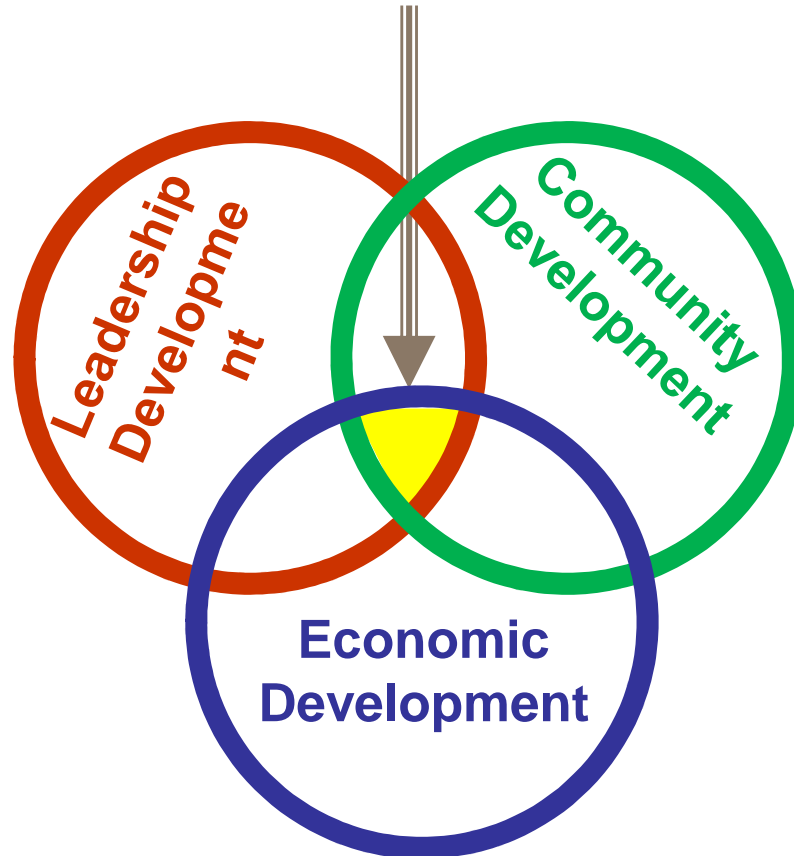
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- ❑ **State's community development arm and housing agency**
- ❑ **We help communities create their vision for economic development and growth**
  - **Funding**
  - **Incentives**
  - **Partnership**
  - **Technical assistance**

# Community Services

- ❑ **Regional Representatives located in each of the state's 12 service delivery regions**
  - ❑ Partner with local governments, chambers of commerce, other state partners to assist with access to resources & programs, and provide technical assistance.
- ❑ **Georgia Academy for Economic Development**

# ESSENTIALS OF SUCCESSFUL COMMUNITIES



# Roles of Local Leaders

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- Planning**
- Community Development**
- Development Authorities**
- Sales Teams**
- Funding**
- Incentives**

# DCA's Community Finance Programs

## □ Job Tax Credits

- Awarded to qualified businesses based on county economic tiers

## □ OneGeorgia

- EDGE & Equity funding for rural Georgia economic development projects both in capacity building and job creation opportunities

## □ Regional Economic Business Assistance (REBA)

- Funding for competitive economic development projects in any region of the state

# Downtown Development Revolving Loan Fund (DDRLF)

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

# Colquitt Towers (Moultrie): DDRLF Project





# Downtown Development Revolving Loan Fund (DDRLF)

## Colquitt Towers (Moultrie)

\$225,000

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

# Georgia SSBCI

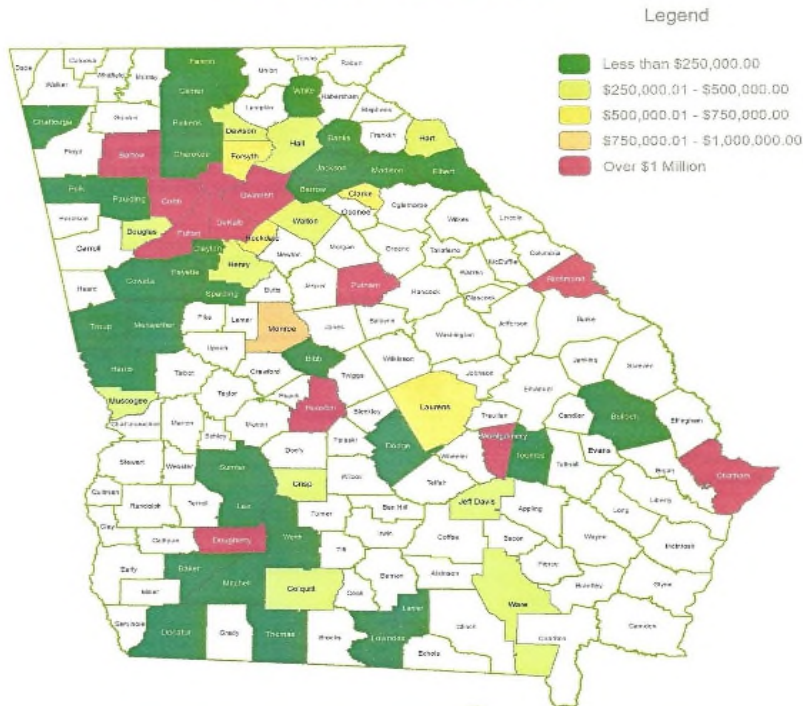
- ❑ State Small Business Credit Initiative is a component of the Small Business Jobs Act, bi-partisan legislation signed into law on September 27, 2010
- ❑ Managed by U.S. Treasury to strengthen state-run lending programs to support small business
- ❑ Georgia's allocation was \$47,808,507
- ❑ Initiatives available to private lenders to expand small business lending

# Georgia SSBCI

- Program statistics as of 3/31/2016
- Enrolled Loans (#) 355
- SSBCI Investment \$38,498,835
- Private Investment \$184,315,388
- Jobs Created 1852
- Jobs Retained 1370
- Counties Served 64
- Participating Lenders 46

# Georgia SSBCI-Loan Activity

Georgia SSBCI Loan Activity  
as of December 31, 2015



## Dougherty County Loan Activity as of 12/31/2015

- Over \$1 Million

# Credit Worthiness

- ▣ The state is not a.....

BANK



# The State takes “informed risk”

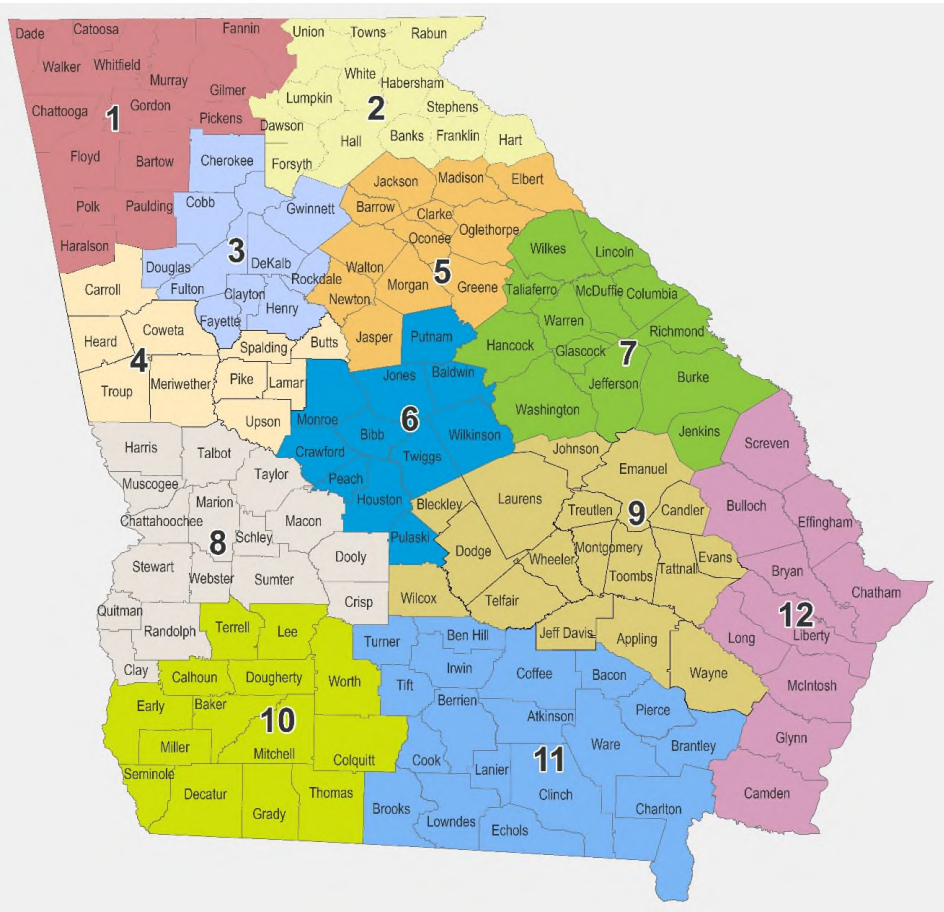
- Public financing for economic development is most typically “gap financing”
- State E.D. programs take risk many private lenders won't take or won't take alone
- As stewards of very limited taxpayer resources, the state must invest in viable projects that will create jobs and investment

# SUMMARY



- It's a process, not an event
- Long-term commitment of time and resources
- Sustainable community economic development requires leadership development, community development and economic development

# DCA Contact Information



**Gina H. Webb**

**Region 10 Representative**

**Georgia Department of Community  
Affairs**

Mobile 404-387-1429

[Gina.Webb@dca.ga.gov](mailto:Gina.Webb@dca.ga.gov)





**Camila Knowles, Commissioner**