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Revolving Loan Fund



Applications for the Revolving Loan Fund program may be submitted at any time. The Foundation's staff will review applications to determine if the project fits the overall objectives of the Foundation and is likely to have a positive economic impact on the community. Applications are evaluated based on leadership, accountability, long-term sustainability, and potential for private investment. Projects should encourage spin-off development, add jobs, promote downtown housing, or add to the cultural enrichment of the community. Each application must also undergo credit underwriting.

Fee Structure - Effective July 1, 2018

	GCF RLF & CDFI	GCF - SSBCI	Green Communities Fund
Application Fees	\$250	\$250	\$125
Origination Fees*	1.00%	1.00%	1.00%
Origination Fee Cap	N/A	\$10,000	N/A

* Loan origination fees prior to July 1, 2018 are 0.75% of loan amount, except for GCF-SSBCI, which is 1.00% of loan amount.

Eligible Projects

- Real estate acquisition
- Building rehabilitation
- New construction

Programs & Services

Revolving Loan Fund

Georgia Downtown

Renaissance Partnership Programs

Georgia Economic

Placemaking

Collaborative

Heart & Soul Downtown

Workshop

Awards

The Development Sessions

Contact Information

For additional information you may contact **Perry Hiott** at (678) 686-6207 or **Chris Higdon** at (678) 651-1018.

More Information

View GCF Loan

Projects

Download GCF loan application

Georgia Funding for Community Development

Financial Institutions Program

- Green space and parks

Ineligible Uses of Funds

- Operating expenses and administration
- Local revolving loan funds
- Public infrastructure projects
- Streetscapes
- Facade projects

Loan Amounts and Terms

GCF presently provides loans up to \$250,000. The interest rate is below market rate, with a 10-year term and 15-year amortization (balloon payment after 10 years).

Effective February 1, 2020, due to limited available funds, GCF's maximum loan amount will be \$200,000.

Financing Structure

GCF recommends a 50-40-10 financing structure for projects, with 50% of the project cost being financed through conventional lenders, 40% being financed through low interest loan programs (GCF and/or DD RLF), and 10% being the developer's equity participation.

Loan Structure

GCF loans may be structured as follows:

- A loan to a DDA or similar entity
- A loan to a DDA with:
 - An intergovernmental agreement with the city.
 - A lease or loan to a private owner/developer.
 - An intergovernmental agreement with the city, and a sublease to a private owner/developer.

Eligibility Considerations

- Local support
- Approach to downtown development
- Project budget and timeframe for completion
- Service Delivery Strategy (SDS) compliance and Qualified Local Government (QLG) designation
- Matching funds
- Underwriting review

Georgia Cities Foundation
201 Pryor St. SW Atlanta, GA 30303
(888) 488-4462 - toll free Georgia residents only



Revolving Loan Fund Application

The Georgia Cities Foundation (GCF) welcomes applications from downtown development authorities (DDAs) cities in Georgia who are requesting financial assistance for downtown capital projects. The mission of the Foundation is to assist cities in their efforts to revitalize and enhance downtown areas by serving as a partner and facilitator in funding capital projects. The goal of the Foundation is to promote economically sustainable projects and build partnerships in order to help ensure the long-term health and economic vitality of the community.

We welcome and encourage DDAs that are actively involved in the revitalization and development of their downtowns to complete the attached application.

Loan Amount and Terms

The application will determine which cities are eligible for funding to the extent funds are available. Loan amounts will not exceed **\$250,000** per project. At its discretion, the Foundation may decide to loan an amount less or more than the amount requested in an application.

Interest Rate: Below Market Rate

Repayment Period: Normally 10 years, not to exceed 15 years.

Security: Project collateral

Recommended Financing Structure: 50-40-10 (50% Bank/Lender, 40% GCF/DCA, 10% Owner Equity)

Eligibility Considerations

To the extent possible successful applications should exhibit the following:

- Broad public and private support for downtown revitalization projects in the City.
- An organized and comprehensive approach to downtown revitalization and/or community economic development, e.g.:
 - An active Merchants Association, Chamber, Downtown Development Authority or Development Authority with a comprehensive downtown/community revitalization strategy in place.
 - Georgia Main Street or Better Hometown City designation in good standing.
- A realistic project with a reasonable budget and timeframe for completion.
- Projects that will be supported and sustained by other development initiatives in the downtown area such as streetscape and façade improvement projects and development or redevelopment of buildings in the downtown area or central business district.
- A Satisfactory and Complete Application.

Applicants are required to be in compliance with the Service Delivery Act (OCGA section 36-7-20 et seq.) and be a Qualified Local Government as defined in the Georgia Department of Community Affairs Minimum Standards.

Eligible Applicant & Uses

The eligible mechanisms for making funds available from the Foundation are:

- a) A loan from the Foundation to the municipality's Downtown Development Authority (DDA) or similar entity who uses the funds to carry out the approved activity(s); or
- b) A loan from the Foundation to the municipality's DDA or similar entity which, in turn, contracts with a sub-recipient to carry out the approved activity(s). All contracts must adhere to the provisions of the Georgia Downtown Development Authorities Law (O.C.G.A. Title 36, Chapter 42), to the provisions relating to intergovernmental contracts, as well as to all other applicable state laws. Eligible sub-recipients may include a variety of private or public entities, including the municipality itself, and must be pre-approved by the Foundation.
- c) Once approved, funds may be used for such activities as real estate acquisition, building rehabilitation, new construction (infill), green space, and parks.

Ineligible Uses

- Funds may not be used for operating expenses and administration.
- Funds may not be used to establish local revolving loan funds.
- Due to availability of local, state and federal funds, the Foundation will generally not fund public infrastructure projects, streetscapes, façade projects, and most governmental buildings including city halls, public safety facilities, and public works facilities.

Review of the Loan Application

All applications will be reviewed to determine the merit of the application and of the proposed uses of funds. In determining whether an applicant shall receive a loan, the following criteria will be considered:

- (1) Each application will be reviewed based upon an analysis of the proposed project's potential enhancement of downtown development opportunities, creditworthiness, overall project feasibility, project impact, and soundness of the proposed strategy. The analysis will include but is not limited to such factors as: impact on the community's tax base; degree of local commitment; consistency with local development plans, goals and objectives; project readiness; project feasibility; reasonableness of cost estimates; elimination of blighting influences; total private capital investment; number of jobs created and/or retained; historic preservation impact and potential state and regional impact.
- (2) In its review of applications, the Foundation may, at its discretion, consult with other individuals or agencies as appropriate for the purpose of receiving information and/or advice. All relevant supporting documentation available (plans, studies, engineering reports, appraisals, etc.) should also be attached. See the attached Supporting Documentation List of the application for further information.
- (3) The criteria listed in this application is designed to assist the Foundation in making its decision and provide prospective applicants with guidance as to the factors that their application needs to address in order to be competitive. The decisions made by the Foundation shall be final and conclusive.

Statement of Conditions

In addition to the specific certifications made by the applicant in accepting the commitment letter and in executing the loan agreement, the recipient further certifies or acknowledges that:

1. No applicable state laws, rules, regulations, or applicable local ordinances shall be violated in carrying out the project and expending the loan proceeds.
2. No real or apparent conflict of interest shall be engaged in by any official, employees or agent of the recipient and sub-recipient (s) and any member of their immediate family, their partners and any organization which employs, or is about to employ any of the above. This prohibition prohibits both the solicitation and acceptance of gratuities, favors or anything of monetary value from contractors, potential contractors, or parties or sub-agreements. It is the responsibility of the recipient to disclose to the Foundation any relationship that might create a real or apparent conflict of interest as soon as the recipient becomes aware of it.
3. The recipient's accounting records of the loan funds shall be maintained in a manner consistent with generally accepted government accounting standards.
4. It is the recipient's responsibility to determine the laws applicable to the specific project and to meet ALL of its requirements (i.e. Georgia's Environmental Policy Act).
5. Loan funds shall be disbursed by the Foundation in accordance with the provisions of the loan agreement. Those provisions may vary depending on each project's particular circumstances. The Foundation will seek to match disbursements with actual need for funds in order to minimize the existence of idle loan funds at the local level.
6. The Foundation may make reviews and audits of the project including on-site reviews as may be necessary or appropriate to implement the program and insure the requirements contained in the loan agreement are met. In the case of noncompliance, the Foundation at its sole discretion shall take such actions, as it deems appropriate to prevent continuance of the deficiency, mitigate any adverse effects or consequences and prevent a recurrence.

7. The recipient may be required to submit quarterly or other progress reports to the Foundation in a format prescribed by the Foundation. Failure to submit timely and acceptable reports may result in a request for immediate repayment of all RLF funds from the recipient by the Foundation.
8. Loan payments shall be due to the Foundation or its agent in accordance with the terms and provisions of the loan agreement. All payments shall be made to the Georgia Cities Foundation or its specified agent at Post Office Box 105377, Atlanta, Georgia 30348 or at such other place as specified by the Foundation.
9. The Foundation reserves the right to establish other guidelines or requirements in order to further the purposes of the RLF program.
10. The Foundation reserves the right to request additional information as needed.

Application and Origination Fee Structure
Effective July 1, 2018

	GCF RLF	GCF - SSBCI	Green Communities Fund
Application Fees	\$250	\$250	\$125
Origination Fees	1.00%	1.00%	0.75%
Origination Fee Cap	N/A	\$10,000	N/A

How to Apply

Completed applications should be submitted to:

Mailing Address:
 Georgia Cities Foundation
 Post Office Box 105377
 Atlanta, Georgia 30348

Physical Address:
 Georgia Cities Foundation
 201 Pryor Street, SW
 Atlanta, Georgia 30303

E-Mail:
 Chris Higdon
 chigdon@gmanet.com

Electronic submission of the GCF application via email is strongly encouraged.

If you have any questions, please contact Perry Hiott at 678-686-6207, Chris Higdon at 678-651-1018, or toll-free at (888) 488-4462.

This application may not be reformatted on your computer. It must stay in its original format and not be altered in any manner. All questions must be answered in the order they appear. Additional sheets may be attached if necessary. Please contact the Foundation if you would like the application via e-mail as a Microsoft Word attachment.

SECTION A - GENERAL INFORMATION

1. Applicant and Sub-recipient Information

Applicant Name: _____ Phone: _____
(Downtown Development Authority or Similar Entity)
 Address: _____ City: _____ Zip: _____
 City Population : _____ County Population: _____
 Contact Person: _____ Title: _____
 Contact Phone: _____ Fax: _____ E-mail: _____

Sub-recipient/Developer Information

Name: _____

Address: _____ City: _____

Phone: _____ Fax: _____ E-mail: _____

2. Project Summary

Total Project Cost: \$ _____ GCF Loan Funds Requested: \$ _____

Note that GCF does not provide interim/construction financing.

Location of Project: _____
Street Address City Zip

3. Local Ordinance and Program Information. (Please indicate whether the city has the following.)

	<u>Yes</u>	<u>No</u>	
a. Zoning Ordinance	<input type="checkbox"/>	<input type="checkbox"/>	Date Adopted _____
b. Sign Ordinance	<input type="checkbox"/>	<input type="checkbox"/>	Date Adopted _____
c. Historic District Ordinance	<input type="checkbox"/>	<input type="checkbox"/>	Date Adopted _____
d. Design Guidelines	<input type="checkbox"/>	<input type="checkbox"/>	
e. Historic Preservation Commission	<input type="checkbox"/>	<input type="checkbox"/>	
f. Façade Program	<input type="checkbox"/>	<input type="checkbox"/>	
g. Staff person solely responsible for management of the downtown program	<input type="checkbox"/>	<input type="checkbox"/>	
h. Inventory of Downtown properties	<input type="checkbox"/>	<input type="checkbox"/>	

SECTION B- PROJECT SPECIFIC INFORMATION

Please provide a description of the project for which you are seeking funds, making sure to be as specific as possible and to address each of the following items. Indicate the location of the property on the downtown map. (To the extent possible, please provide photos of the front, back, sides and interior of the building.)

1. **Required** - Please attach a letter from the Downtown Development Authority that articulates why the loan being requested is a strategic investment in the downtown area. (Effective 11/04/2015)

2. Provide a brief description of the project and proposed use of funds:

3. Briefly describe how the project relates to your comprehensive downtown revitalization Strategy.

4. Describe the specific downtown problems/needs that this project will address.

5. Describe the proposed activities to be undertaken that will meet these needs.

6. One of the goals of the program is to enhance the historic significance of Georgia's downtowns. Does the project meet the Secretary of Interior's Standards for rehabilitation of historic properties and other local historic guidelines? If not, please explain.

Yes No

6. **Impact Measures.** Describe project's potential short- and long-term impact using the following measures.

Measure	Short Term	Long Term
Projected # jobs created		
Projected # jobs retained		
Projected increase in tax revenues (\$)		
Private development (\$)		
# of blighted structures eliminated		
Projected spinoff development		
Projected # new housing units		
Projected civic/cultural enhancements		
Other		

7. **Location Map.** Please attach a map of the downtown area and indicate the location of the project/property on the map. To the extent possible, please provide photos of the front, back, sides, and interior of the building.

8. **Project Participants.** (List the public and private organizations and individuals to be involved in the project and include a short description of their role (i.e. project manager, private lender, funding contributor or fund raiser, developer, etc.)

- Name: _____
Role: _____
- Name: _____
Role: _____
- Name: _____
Role: _____
- Name: _____
Role: _____

9. **Project Activity Schedule.** (Provide a realistic timetable for completion of project and specify the time (if known or appropriate stage) at which Georgia Cities Foundation funds will be needed.)

	Activity	Estimated Completion Date
A.		
B.		
C.		
D.		
E.		

SECTION C- SOURCE AND USE OF FUNDS

1. **Project Budget.** (List the source and use of funds for the project.)

Item	Project Cost	Sources of Funds (Bank, GCF, Borrower)
Acquisition		
Project Hard Costs		
Project Soft Costs		
Total Project Cost:		

2. Total Project Funding: \$ _____ Total GCF Funds Requested: \$ _____

3. Explain how funds will be repaid to the Foundation. _____

Section D – Certification

I certify that the information contained in this application is true and correct to the best of my knowledge. I further understand that the Georgia Cities Foundation has the right to request additional information as needed.

Signature of DDA Chairman

Date

Print Name

Telephone

Signature of Sub-recipient (Borrower)

Date

Print Name and Title

Telephone

I affirm that the City is aware of this application and that the proposed project appears to be consistent with the City's downtown development plans and/or strategies.

Signature of City's Chief Elected Official

Date

Print name and Title

Telephone

For GCF Use Only:	Date Received _____	Initials _____
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Credit Authorization

Georgia Cities Foundation Revolving Loan Fund Program

In connection with _____
Sub-recipient (borrower)'s application to the Georgia Cities Foundation (GCF) for financial assistance, I authorize GCF or its agent, the Georgia Department of Community Affairs (DCA), to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I further authorize GCF or DCA to receive information, documents, credit reports, summaries, etc. received by other lenders in connection with any additional financial assistance I am pursuing as part of a complete financing package for the applicant business.

Authorized Signature (Sub-recipient/borrower)

By: _____

Name: _____
(print or type)

Title: _____

Company: _____

Date: _____

Georgia Law requires that "all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen" (O.C.G.A. 50-18-70). This means that past and current records on the use of the Department of Community Affairs (DCA) funds are required to be opened for public inspection. However, certain proprietary information which is required by DCA to be included in an application and must be supplied by a business in order to compete and which constitutes a "trade secret" (O.C.G.A. 10-17-140 et seq.; 16-8-13(a) (4)) is exempt from disclosure under O.C.G.A. 50-18-70. IF YOU CONSIDER FINANCIAL OR CREDIT INFORMATION SUBMITTED AS PART OF A DOWNTOWN DEVELOPMENT REVOLVING LOAN FUND APPLICATION THAT MAY BE REVIEWED BY DCA A "TRADE SECRET", PLEASE INDICATE BY SIGNING BELOW.

Authorized Signature

By: _____

Name: _____
(print or type)

Title: _____

Company: _____

Date: _____

GCF Supporting Documentation List

Items listed below are usually critical for most projects. Other documentation may be requested or required during the underwriting review or prior to disbursement of Georgia Cities Foundation (GCF) funds.

- A. **Downtown Feasibility/Marketing Analysis and Plan, if Available** – The analysis and plan should include a brief history and description of proposed project or initiative and how it can be supported in the downtown area. Relevant information should include any market or feasibility studies and various analyses that examine trade areas, tenant mix, over/under supply mixes in retail markets, etc. Any commitments from anchor tenants, businesses or developers should also be included. The Plan for attracting and retaining such businesses should be thoroughly discussed and documented.
- B. **Purchase Option, Sales Agreement, or Warranty Deed** for any real estate needed to undertake the project.
- C. **Appraisal** (prepared by an appraiser with credentials acceptable to GCF) for any real estate to be financed. Please do not order an appraisal unless requested to do so by GCF or another project lender.
- D. **Evidence of Marketable Title** (with outstanding liens, mortgages and encumbrances noted) and a plat for any real estate to be financed.
- E. **Plans, Specifications, Renderings and Architectural Drawings** that have been approved by appropriate local and state regulatory and historic preservation agencies.
- F. **Construction Cost Estimates and Price Quotes** on all proposed construction/renovation and other project activities.
- G. **Financial Commitment Letter(s)** from participating financial institution(s) and public agencies. The letter(s) should indicate the amount, rate, term, and any contingencies associated with the financing. If the project involves tax credits, documentation should be provided that applicable credits will be obtained. Other public sector financing or grants should include award documents, council resolutions, etc.
- H. **Commitment Letter(s)** from participating business(es) or tenants. The letter(s) should indicate the number of full-time jobs to be created/retained and the amounts of any private investment that will occur as a result of the project.
- I. **List of Available Collateral** with prior liens noted.
- J. **Financial Statements** (Developer and Local Government): Businesses that are the ultimate borrower should provide balance sheets and income statements for the past three years, as well as copies of personal and business federal tax returns may also be requested by GCF. Local Governments and Development Authorities should provide copies of their most recent available audited financial statements only if they are the ultimate recipient of the GCF loan.
- K. **Developer Interim Financial Statements** (For ultimate recipients/borrowers that are private businesses.)
- L. **Developer Financial Projections** in the form of a pro-forma balance sheet and projected income statements and cash flow for one year or until break even point is achieved.
- M. **Proposed Use Certification** from local government that certifies the project will comply with all applicable land-use, environmental and other applicable local laws as well as any special requirements involving community improvement districts, special tax districts, or redevelopment areas. (Please provide copies of applicable local legislation.)
- N. **Property Management Plan** (for real estate projects) that outlines a plan for the renting and merchandising of space in the renovated facility, the operation and maintenance of the facility and what party will responsible for the financial and day to day management of the property.