



The Community Development Block Grant Economic Development Program

What is the Community Development Block Grant Economic Development Program?

The Community Development Block Grant Economic Development Program is federal funding that provides up to \$500,000 per project for:

- Low-interest, fixed asset, gap financing to Ohio businesses; or
- Grants to communities for public infrastructure improvements associated with for-profit business expansion and job creation.



Contact

Office of Community Development
Phone: (614) 466-2285
cdbg.development.ohio.gov

Ohio

John R. Kasich, Governor

**Development
Services Agency**

David Goodman, Director

Fixed Asset Loans

Funds are granted to communities to make loans to local, for-profit businesses for fixed-asset financing. Loan repayments remain in a local Revolving Loan Fund and may be used to finance additional Community Development Block Grant-eligible projects in the community.

- **Low- and Moderate-Income jobs** – 51 percent of the jobs created or retained must be taken by or made available to low- and moderate-income persons.
- **Gap financing** – Loans are only available for projects in which gap financing is required. In all cases, private financing should be maximized before considering Community Development Block Grant assistance.
- **Funding per job** – Assistance is limited to \$25,000 per job created.
- **Leverage** – Assistance is limited to providing no more than half of the total financing required for the project (\$1:\$1 leverage ratio).
- **Equity** – A borrower must be prepared to provide cash equity of at least 5 percent of the total fixed asset cost.
- **Private financing** – At least 15 percent of the project's fixed asset cost must be privately financed.

Off-site Infrastructure Grants

Funds are granted to communities to help pay for publicly owned infrastructure improvements directly related to job creation or retention by a for-profit business. The applicant community must demonstrate need for the level of funding requested.

- **Low- and Moderate-Income jobs** – 51 percent of the jobs created or retained must be taken by or made available to low- and moderate-income persons.
- **Funding per job** – Assistance is limited to \$9,999 per job created.
- **Amount of assistance** – In most cases, assistance is limited to providing no more than half of the total off-site infrastructure cost. Some distressed communities may qualify for up to 75 percent of the off-site infrastructure cost.
- **Private investment** – The job-creating business must be committed to making an on-site private investment in coordination with its committed job creation.
- **Private financing** – At least 15 percent of the project's fixed asset cost must be privately financed.