



Main Street, Mansfield, Ohio

OVERVIEW

The Community Development Block Grant (CDBG) Economic Development Program is federal funding 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.

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 CDBG 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 individuals.
- **Gap financing** – Loans are only available for projects in which gap financing is required. In all cases, private financing should be maximized before considering CDBG assistance.
- **Job creation** – May borrow up 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 PUBLIC 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 individuals.
- **Funding per job** – Assistance up to \$10,000 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. Distressed communities may qualify for up to 75 percent of the off-site infrastructure cost.
- **Private investment** – The job-creating business must commit 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.

FOR ADDITIONAL INFORMATION

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development.ohio.gov



Development
Services Agency

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STRENGTHENING OUR COMMUNITIES