

Downtown Development Revolving Loan Fund

The Downtown Development Revolving Loan Program (DDRLF) is a Georgia Department of Community Affairs program which assists efforts to revitalize and enhance downtown properties. This loan program provides below-market rate financing to fund capital projects in core historic areas, in order to spur commercial redevelopment.

Applicants must demonstrate that they have a viable downtown development project and clearly identify the proposed uses of the loan proceeds. Once approved, funds may be used for such activities as: real estate acquisition, development, redevelopment, and new construction; rehabilitation of public and private infrastructure and facilities; purchase of equipment and other assets (on a limited basis).

The maximum loan amount is \$250,000 per project. This loan has a 2% interest rate currently, and a ten-year repayment term. Loan applications are accepted throughout the year. The typical structure consists of: 50% financed through a conventional lending institution, 40% financed by the DDRLF, and 10% borrower participation.



The Revolving Loan Fund programs and the Tax Credit programs are managed locally by the Monroe Downtown Development Authority (DDA). For more information or to apply for these programs, please contact Sadie Krawczyk with Monroe DDA at sadiek@monroega.gov or (770) 266-5331



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Development Incentive Programs



***Economic Development
Planning & Zoning
Monroe DDA***



City of Monroe Development Incentive Program

There are several programs available to help businesses grow in Downtown Monroe. The City of Monroe can help your business to obtain these beneficial economic tools.

Specifically, our "toolbox" contains low-interest loan programs and tax incentives created to support and encourage the growth of local businesses. These programs also help revitalize underutilized, disadvantaged, and older areas of our community.

City Staff possesses the knowledge and experience to guide you through the process of applying for:

- Downtown Development Revolving Loan Fund
- Georgia Cities Foundation Revolving Loan Fund
- Green Communities Fund
- Opportunity Zone Job Tax Credit
- Rehabilitation Investment Tax Credit
- Georgia State Income Tax Program for Rehabilitated Historic Property
- Georgia State Preferential Property Tax Assessment for Rehabilitated Historic Property



Georgia Cities Foundation Revolving Loan Fund

The Georgia Cities Foundation Revolving Loan Program (GCFRLF) works similarly to the DDRLF program in loan amount, term, and structure. The current interest rate for this loan is 3%.

The DDRLF and GCFRLF can be paired together for large projects, meaning that the 40% loan financing could total up to \$500,000.

Georgia Cities Foundation Green Communities Fund

The Georgia Cities Foundation Green Communities Fund is a revolving loan fund program made possible through a grant from the Georgia Environmental Facilities Authority. This loan program provides low-interest financing for energy efficient improvements to qualifying commercial properties.

Loan amounts for this fund must be at least \$10,000, but no more than \$250,000. The interest rate for this fund is currently 3%. The loan structure varies for this fund depending on loan amount requested, but generally has a five to ten year repayment schedule. A 10% to 25% minimum borrower participation is required.



Opportunity Zone Tax Credit Program

Certain areas within the City of Monroe are located within state-designated Opportunity Zones. New businesses that are created, or existing businesses that expand, in Opportunity Zones may be eligible to receive a Georgia income tax credit equal to receive a Georgia income tax credit equal to \$3,500 per job created. At least two new jobs must be created for this tax credit to be claimed. This tax credit can then be used for up to five years.

Rehabilitation Investment Tax Credit Program

The Rehabilitation Investment Tax Credit Program (RITC) is a federal program which encourages the rehabilitation of historic buildings by giving property owners a tax credit towards their federal income tax. The RITC is equal to 20% of the qualified expenses involved in rehabilitating a historic building.



To qualify for this program, the building must be an income-producing property and be listed, or eligible for listing, on the National Register for Historic Places. The rehabilitation must also meet a "substantial rehabilitation test," meaning that the cost of the rehabilitation must be greater than the adjusted basis of the property and must be at least \$5,000. All rehabilitation work must comply with with The Secretary of the Interior's Standards for Rehabilitation.

A 10% federal income tax credit is also available for non-historic buildings built before 1936.



Georgia State Income Tax Program for Rehabilitated Historic Property

The State of Georgia offers a tax credit program similar to the RITC for historic building rehabilitation. This tax credit is equal to 25% of the qualified rehabilitation expenses, for up to \$100,000 (in tax credit value) for residential property, and \$300,000 (in tax credit value) for commercial property. For residential properties in target areas, the tax credit may be equal to 30% of the qualified rehabilitation expenses.

Qualifying for this program is similar to the RITC, in that the building must be listed, or eligible for listing, on the Georgia Register of Historic Places, and must also meet a substantial rehabilitation cost test. For a historic home used as a principal residence, the rehabilitation cost must exceed the lesser of \$25,000 or 50% of the adjusted basis of the building (the property value of the building only, not including land value); for a historic home used as a principal residence in a target area, \$5,000; or for any other certified historic structure, the greater of \$5,000 or the adjusted basis of the building. At least 5% of the rehabilitation work must be done on the exterior of the structure.



Georgia State Preferential Property Tax Assessment for Rehabilitated Historic

The State of Georgia offers a property tax freeze for rehabilitated historic property, whereby the local property taxes are frozen at value of the building prior to rehabilitation work for 8.5 years.

Qualifying for this program is similar to the historic building rehabilitation tax credit programs, in that a property must be listed, or eligible for listing, on the Georgia Register of Historic Places. The cost of rehabilitation must also meet a substantial rehabilitation cost test, where rehabilitation must increase the value of residential property by at least 50%, mixed-use property by at least 75%, or commercial/professional property by at least 100%.

