

Economic Development/Revolving Loan Fund Program Advisory Committee
November 4, 2020
9:00 am - 12:00 pm

Ohio Development Services Agency (ODSA) Employees

Shana Garrett
Jared Jodrey
Ben Kepple
Tiffany Laffitte
Matthew LaMantia
Haley Lupton
Mary Oakley
Ian Thomas
Wesley Watkins

Advisory Committee Members in Attendance:

Will Burns
Mary Church
Matt Cordonnier
Terri Fetherolf

Jeff Gottke
Dennis Miller
Renee Muhlenkamp

Economic Development Program

Ben Kepple opened the meeting and shared the PY 2020 Community Investments budget to-date to provide context for discussion. Mr. Kepple asked the participants to keep two questions in mind to guide the conversation: How can the Economic Development (ED) program become more flexible during the COVID-19 pandemic; and, how can the ED program be made more accessible to grantees?

Mr. Kepple presented historical program performance data, including grants awarded, funds awarded, and low- and moderate-income (LMI) jobs created, from PY 2017 to date. In response to a participant's inquiry, Mr. Kepple shared that the demand for infrastructure and loan projects remained almost a 50/50 split over the last few funding periods.

Mr. Kepple announced no changes are proposed for PY 2021 other than possibly continuing the new Working Capital Loan Program into PY 2021. Participants agreed that the Working Capital Program should be extended into PY 2021 as CARES Act resources will be depleted soon. Mr. Kepple also noted that Policy Notice 19-01 provides extensive guidance on the job creation requirements of the program.

In response to a question from Mary Oakley regarding economic recovery during the pandemic, participants responded that the recovery is uneven. The industrial sector appears closer to "normalcy", while the service industry lags considerably. Businesses are experiencing supply chain issues, reduced demand and investment, and major workforce issues regarding daycare and schooling. ED Loan Program demand is still present, even with market rates being low.

A participant asked about the number of defaults with ED Loan awards. Mr. Kepple responded that there were not many since ODSA performs an underwriting to determine if a loan project is appropriate for the state's loan portfolio.

Several participants asked about increasing the cost per job requirements, or providing a sliding scale based on business investment, since high tech industries tend to be more expensive with smaller job creation numbers due to automation. ODSA staff cited the statutory requirement of the \$9,999 cost per job limit for off-site infrastructure grant projects but that there is flexibility with the loan portfolio.

Participants asked if CDBG CARES Act funding would be available for economic development projects. Ms. Oakley responded that the state has many other resources purely for economic development, and since ODSA is not primarily an economic development agency, CARES Act funding will be directed to projects with residential benefit.

A participant inquired whether the ED program could shift from a direct benefit program with job creation for individuals to an area-wide program with presumed LMI benefit. ODSA staff responded that the Consolidated Plan and Policy Notice 19-01 provide guidance on eligible census tracts and areas with a certain poverty rate, where job creation is presumed to be LMI.

Revolving Loan Fund Program

Jared Jodrey provided data from PY 2019 and PY 2020 to date of the Revolving Loan Fund (RLF) program: waivers, economic development loans, and jobs created. Participants asked if the program has inactive accounts. Mr. Jodrey responded that local staff turnover and “legacy” city accounts results in inactive accounts, and that with market rates competitive at the moment, activity has been affected.

Mr. Jodrey outlined the RLF Working Capital Loan created in response to the COVID-19 pandemic.

Mr. Jodrey explained OCD is still working to move RLF reporting to OCEAN/Salesforce in a four-phase process, beginning with application for both waivers and loans.