



STATE OF GEORGIA  
OFFICE OF THE GOVERNOR  
ATLANTA 30334-0090

Brian P. Kemp  
GOVERNOR

August 2020

Mr. Charles Howard  
Acting Executive Director  
Appalachian Regional Commission  
1666 Connecticut Avenue, NW  
Washington, D.C. 20009

Dear Mr. Howard:

I am pleased to submit Georgia's State Strategy Statement for 2021 for your review and approval by the Appalachian Regional Commission ("ARC") Board. This plan identifies state and regional priorities for investing ARC funds in our 37-county region. The information and strategies in this plan are consistent with the Appalachian Regional Development Act of 1965, and Chapter V of the ARC code.

We look forward to our continued work with the Appalachian Regional Commission to support improved economic outcomes for the citizens of the region. Please contact my alternate, Commissioner Christopher Nunn or ARC Program Manager, Brittany Pittman, if you have questions.

Sincerely,

A handwritten signature in black ink that reads "B. Kemp".

Brian P. Kemp

## **Georgia and the Appalachian Regional Commission**

As a member state of the Appalachian Regional Commission (ARC), Georgia participates in providing technical assistance and area development funding to its 37 counties spanning the northern third of the state. **The Georgia State Development Plan, 2019-2023** provides additional guidance to communities and organizations seeking funding for projects meeting the goals of the Appalachian Regional Commission.

## **Georgia's ARC Leadership and Technical Resources**

Governor Brian Kemp serves as Georgia's Commission member, and Department of Community Affairs Commissioner Christopher Nunn serves as his alternate. The Georgia Department of Community Affairs manages the administration of our state's ARC program. In addition to the ARC program managers, the Department of Community Affairs provides field representatives with specific knowledge of the ARC program and goals to each of the five regions in Georgia's ARC service area.

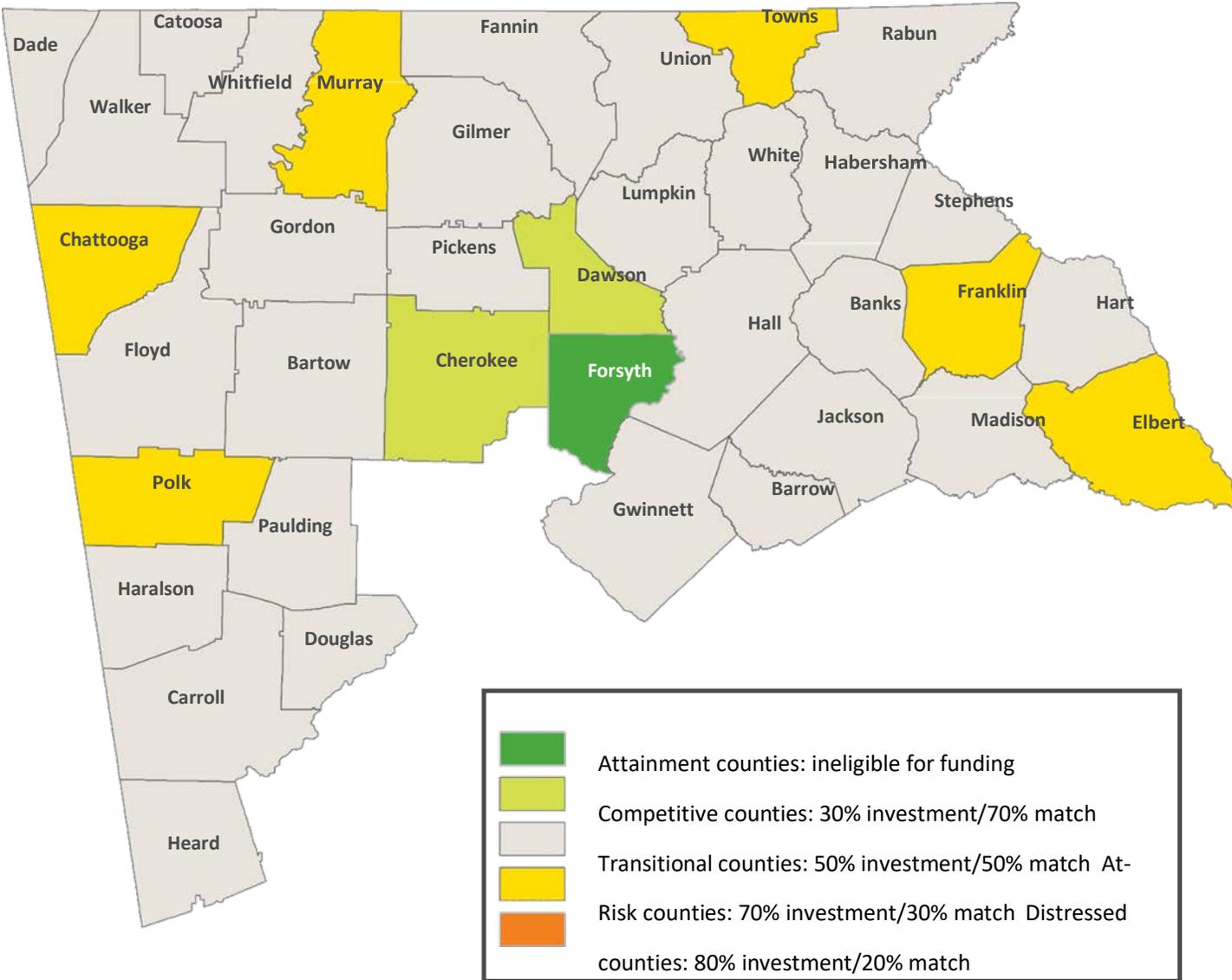
Georgia's 37 ARC counties are served by five Regional Commissions, all of which act as partners with the Department of Community Affairs, providing technical and project development assistance for local governments and other eligible organizations. These local development districts include:

- ***Atlanta Regional Commission*** serves three ARC counties: Cherokee, Douglas, and Gwinnett
- ***Georgia Mountains Regional Commission*** is completely within Georgia's ARC service area and serves 13 counties: Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, and White
- ***Northeast Georgia Regional Commission*** serves four ARC counties: Barrow, Elbert, Jackson and Madison
- ***Northwest Georgia Regional Commission*** is completely within Georgia's ARC service area and serves 15 counties: Bartow, Catoosa, Chattooga, Dade, Fannin, Floyd, Gilmer, Gordon, Haralson, Murray, Paulding, Pickens, Polk, Walker and Whitfield
- ***Three Rivers Regional Commission*** serves two ARC counties: Carroll and Heard

# Appalachian Regional Commission

## Georgia County Designations

FY2021



Source: Appalachian Regional Commission

## **Georgia County Designations**

Each year, the Appalachian Regional Commission ranks counties based on national data for three economic indicators—three-year average unemployment rate, per capita market income, and poverty rate. This data determine county economic status, which governs the level of investment ARC aims to make into projects in each county. Georgia’s county designations are highlighted on the map on the preceding page.

## **Other Partners**

In addition to administering Georgia’s ARC program, the Department of Community Affairs (DCA) provides community and economic development financing, housing financing and technical assistance for community development throughout the state. The ARC program leverages the expertise of all other programs and resources, specifically including:

- Office of Downtown Development and Main Street program
- Georgia’s PlanFirst and WaterFirst programs (reward planning and implementation excellence)
- The One Georgia economic development fund
- Community Development Block Grant program

Georgia’s ARC program also works closely with other state agencies, including:

- Georgia Environmental Finance Authority
- Georgia Department of Agriculture
- Georgia Department of Economic Development
- Georgia Department of Public Health
- Technical College System of Georgia
- The University System of Georgia

Our primary federal partners include USDA, HUD and the Economic Development Administration. DCA is always seeking additional partners to meet the goals of ARC, the State of Georgia, and the communities we serve.

## **Appalachian Regional Commission Strategic Plan and Investment Goals, 2016-2020**

In November 2015, the Appalachian Regional Commission approved a new strategic plan to guide the Commission's economic and community development efforts in Appalachia from fiscal years 2016 through 2020. The plan outlines five strategic goals supporting ARC's vision and mission.

### *ARC Vision*

Appalachia is a region of great opportunity that will achieve socioeconomic parity with the nation.

### *ARC Mission*

To innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.

### *ARC 2016–2020 Strategic Investment Goals*

#### **Goal 1: Economic Opportunities**

Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy

#### **Goal 2: Ready Workforce**

Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia

#### **Goal 3: Critical Infrastructure**

Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems

#### **Goal 4: Natural and Cultural Assets**

Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets

#### **Goal 5: Leadership and Community Capacity**

Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development

## **State Investment Goals**

**Governor Brian Kemp** has outlined the following priorities for his administration in order to focus Georgia's resources responsibly. Georgia will use its ARC resources to further the goals of the Appalachian Regional Commission as well as those of our local communities, our regions, and our state. Detailed information and data supporting these goals are available in the **Georgia State Development Plan, 2019-2023**.

- **Make Georgia #1 for Small Business**
- **Prepare a ready workforce and remove barriers to employment**
- **Strengthen Rural Georgia**
- **Increase access to broadband capacity across rural Georgia**
- **Improve quality of and access to healthcare options in rural Georgia**

## **Georgia's ARC Investment Priorities for Fiscal Year 2021**

First and foremost, Georgia will use its ARC funds to help mitigate the economic hardships brought to the region by COVID-19. While the ARC 3-year data available to create County Designations for 2021 indicated that, overall, Georgia's 37 counties were making economic strides, the effects of the global pandemic have largely eradicated many of the economic and quality of life gains of previous years. Data provided by the Georgia Department of Economic Development, the Georgia Department of Labor and the Governor's Office show the steep decline in economic prosperity for governments, businesses and citizens since March 2020:

- Statewide, net tax revenues fell \$1.04 billion from the end of FY19 to the end of FY20, with the steepest decline between April 2020 and July 2020, with a fall of \$1.37 billion. (source: <https://gov.georgia.gov/press-releases>)
- In the 37 counties of Georgia's Appalachian Region, Unemployment Insurance claims have risen more than 3,000% since May 2019. (Source: <https://dol.georgia.gov/area-unemployment-rate-and-labor-force-estimates>)
- From the week ending April 18 through the week ending May 23, total estimated travel spending in Georgia (statewide) was down \$3.09 billion in 2020, compared to 2019. Weekly travel spending hit a low point the second week in April and has been gradually climbing since then. Expenditures the week ending May 23 (most recent data available) were down 78% compared to 2019. (Source: Explore Georgia COVID-19 Dashboard, published by the Georgia Department of Economic Development). While these losses reflect those felt by the travel and tourism industry, they are significant in Georgia's Appalachian Region, where tourism-associated and businesses and jobs are large and important sectors of the overall regional economy.

Georgia's investments in 2021 will focus on addressing these new, and most likely enduring, losses. In keeping with the State Development Plan, Georgia will guide investment to its identified priorities, as well as allow for innovation to address previously unidentified needs. These priorities include:

- **Agriculture and Agribusiness**
- **Advanced Manufacturing**
- **Broadband Deployment in Rural Areas**
- **Tourism and Outdoor Recreation Opportunities, including tourism product development**
- **Georgia's Film Industry:**
- **Federal Opportunity Zones**
- **Healthcare delivery in rural areas**

### **Georgia's Funding Strategies for ARC Investment**

Georgia's funding strategies, outlined below, are organized around ARC's Strategic Plan 2015-2020, which was adopted by the state-federal partners in the fall of 2015.

#### **Goal 1: Economic Opportunity:**

- 1.1 Invest in infrastructure to promote and support business expansion to create jobs in rural Appalachia. Expand Georgia's role as a world-renowned hub for global commerce – invest in projects that will promote business expansion in rural areas
- 1.2 Invest in small business incubators, entrepreneur support activities, business mentoring, and coaching services
- 1.3 Invest in regional economic development, promoting shared investment, mutual benefits, and inter-governmental agreements

#### **Goal 2: Ready Workforce**

- 2.1 Invest in the development of vital workforce skills to meet current and future industry needs across industry spectrums
- 2.2 Invest in healthcare options, including innovative approaches that lower costs, improve quality and increase access in Georgia's Appalachian region. These investments should include foci on preventive care, mental health resources and increasing access to rehabilitation activities to reduce the effects of Substance Use Disorder
- 2.3 Invest in projects that will reduce barriers to employment, including:

- Supporting access to high-quality, reliable and affordable child and senior care
- Expanding the range of housing options in the region, especially those options that will promote walkability and access to community resources, amenities and employment opportunities

2.4 Invest in activities that enhance access to educational opportunity and workforce skills through apprenticeships, mobile learning, work-study and partnerships among school systems and employers

**Goal 3: Critical Infrastructure**

3.1 Increase rural broadband access for economic growth, educational opportunity and healthcare access

3.2 Invest in water and sewer projects to support new or expanding industry and, in distressed areas, to provide access to safe and sanitary water systems

3.3 Invest in infrastructure projects (including planning and feasibility studies) that will increase the regionalization and/or consolidation of small systems to increase cost effectiveness

3.4 Invest in transportation projects that continue to expand accessibility in and to the Appalachian region

**Goal 4: Natural and Cultural Assets**

4.1 Invest in projects that leverage natural and cultural assets to create vibrant cultural hubs that will attract and maintain business, talent and private investment in the Appalachian region

4.2 Invest in projects that will strengthen the region’s small towns and communities especially when these projects tie together new or existing attractions and resources. These projects may include emphasis on Georgia’s agricultural assets like Georgia Grown or the existing Wine Trail.

**Goal 5: Leadership and Community Capacity**

5.1 Support local and regional networks, partnerships and other models of collaboration that catalyze public, private and nonprofit action for regional impact

5.2 Invest in projects that will help governments manage resources effectively and plan for healthy economies.

**Georgia’s Policies for ARC Fund Investment**

The Department of Community Affairs seeks to address the goals of the Appalachian Regional

Commission, the State of Georgia, and the communities we aim to serve in a responsible and fair manner. Accordingly, our program adheres to the following policy guidelines:

- Maximum ARC investment amount is \$600,000. The maximum investment amount may be waived by the Governor at his discretion.
- Priority is given to projects that are “ready-to-go,” meaning that projects are encouraged to secure other necessary funding before submitting an application.
- Eligible applicants include:
  - Local governments
  - Development Authorities
  - Non-profit organizations (must provide adequate certification of status)
  - Educational institutions
  - Public healthcare institutions
  - Public-private partnerships are eligible, but applicant must be a public entity or non-profit entity
- Each proposal is scored according to the following criteria:
  - Consistency with Appalachian Regional Commission goals and strategies
  - Consistency with Georgia Department of Community Affairs’ investment requirements and objectives, which include:
    - Project supports community objectives outlined in a comprehensive local or regional plan
    - Local government applicants are current on service delivery strategy requirements to receive funding
    - Local government and development authority applicants are current on all required reporting with the state
  - Economic impact within the community and region
  - Return on investment via economic or community development standards
    - Projects must include measurable outputs and outcomes consistent with federal performance measure requirements.
    - Projects that are identified as strategies in larger local or regional strategic plans should indicate their ability to meet goals in said plans
  - Innovation – some projects may be untested in Georgia, and therefore may not be addressed in a regional or local planning document; the review committee will give proper consideration to innovative applications that address priorities within the ARC Strategic Plan.

### **Construction Projects**

- Construction projects should have preliminary commitment of jobs and a preliminary engineering/architectural report prior to request for funding.
- In the case of tourism-related construction projects, credible forecasts for increased commercial activity must be included.
- DCA or the Georgia Environmental Finance Authority will serve as the Registered State Basic Agency for the administration of construction projects. (GEFA will administer water/sewer projects and DCA all others that qualify as construction). DCA may grant an exception to this policy only in the case where another federal agency participating in the project is willing to administer ARC funds.
- Projects must obtain all reviews and approvals pertaining to federal financing PRIOR to project start dates. These include, but are not limited to:
  - Environmental assessments
  - Wage and labor rate approvals
  - Procurement approvals
  - Contractor approvals
- Organizations seeking ARC funding for construction projects will be strongly advised of time constraints associated with federal financing. All activities associated with construction projects must adhere strictly to these requirements.

### **Non-construction or Operating Projects**

- ARC funding is limited to start-up costs and two years of operation costs  
MAXIMUM.
- No project is guaranteed more than one year of support.
- Projects requesting start-up funds should identify sources of funding to continue the project upon cessation of ARC investment, or indicate a plan for cultivating future funding.
- In most cases, operating proposals should indicate an 18-month initial start-up phase. New projects generally meet unexpected delays, and this 18-month window can help alleviate the need to extend a project to meet its initial objectives.
- Any project seeking continuation funding (second or third year) should contact Georgia's ARC office at least one month prior to the pre-application deadline to discuss additional funding. These projects must provide evidence of satisfactory performance in meeting first-year objectives in order to be considered for any additional funding.
- ARC will serve as the administering agency for all non-construction projects.

### **Ineligible Activities**

Georgia's ARC program does not generally fund the construction of schools, places of worship or government buildings.

### **General Information**

Pre-applications for funding are required and may be submitted at any time. All application materials are available at: [www.dca.ga.gov/arc](http://www.dca.ga.gov/arc).

- Projects that are approved by the Governor will be sent on to ARC for final review and approval. Georgia will notify those communities/organizations that are approved; although the date for these approvals will vary.
- In Fiscal Year 2021, the Georgia Department of Community Affairs will accept applications for ARC funds on a continuous basis.