

# Economic Development Agency

Investment Programs

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## Investment Programs Overview

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. As the only Federal agency with economic development as its exclusive mission, EDA provides strategic investments to help communities design and implement critical public projects that will promote job creation and retention, attract private investment, and support the long-term economic development goals of the region. EDA offers several investment programs to assist in economic development efforts:

- **Public Works:** Empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.
- **Economic Adjustment:** Assists state and local interests in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Under Economic Adjustment, EDA administers its Revolving Loan Fund (RLF) Program, which supplies small businesses and entrepreneurs with the gap financing needed to start or expand their business.
- **Planning Program:** Supports local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with long-term planning efforts.
- **Local Technical Assistance:** Helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.
- **University Centers:** A partnership of the federal government and academia that makes the varied and vast resources of universities available to the economic development community.

**Eligibility Requirements:** To be eligible for EDA assistance, four key eligibility requirements must be met:

- The application must be submitted by an eligible applicant;
- The project must be in a distressed region;
- The project must meet required Matching Share thresholds; and
- The project must be for eligible activities under each program type and applicable FFO.

**Eligible Applicants:** include State governments; Cities or other political subdivision of a State, including a special purpose unit of State or local government engaged in economic or infrastructure development activities; Institutions of higher education; District organizations or COG; Native American tribal governments; and Non-profit organizations acting in cooperation with officials of a political subdivision of a State.

**Distress Eligibility:** Regions that meet one of more of the following criteria may be eligible for EDA grants:

- Unemployment rate: The project is located in a region that has an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point above the national unemployment rate;
- Per capita income: The project is located in a region that has a per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or
- Special need: The project is located in a region that has experienced or is about to experience a "Special Need" (as defined in 13 C.F.R. § 300.3) arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, including:
  - Substantial out-migration or population loss;
  - Underemployment; that is, employment of workers at less than full-time or at less skilled tasks than their training or abilities permit;
  - Military base closure or realignment, defense contractor reductions-in-force, or U.S. Department of Energy defense-related funding reductions;
  - Natural or other major disasters or emergencies;
  - Extraordinary depletion of natural resources;
  - Closing or restructuring of an industrial firm or loss of other major employer;
  - Negative effects of changing trade patterns; or
  - Other circumstances set forth in the applicable FFO.

**Matching Share:** Applications for EDA assistance generally require a 50 percent Matching Share of the total cost of the project. Projects may receive an additional amount that may not exceed up to 30 percent of the total project cost, based on the relative needs of the Region in which the project will be located, as determined by EDA. Matching Share funds must:

- Be available and committed to use for the specific EDA project outlined in the application as of the date that the application is submitted;
- Be unencumbered, or not otherwise limited or directed to specific tasks; and
- Be from eligible sources – generally other Federal funds may not be used as Matching Shares for an EDA award.

In general, EDA’s maximum investment rate (percent of the total project cost) is determined by the average per capita income or unemployment rate of the region in which the project is located, as outlined in Table 1 below:

**Table 1.**

<b>Projects located in regions in which:</b>	<b>Max. allowable investment rates (% of total project cost)</b>
(A) The 24-month unemployment rate is at least 225% of the national average; or	80
(B) The per capita income is not more than 50% of the national average.	80
(C) The 24-month unemployment rate is at least 200% of the national average; or	70
(D) The per capita income is not more than 60% of the national average.	70
(E) The 24-month unemployment rate is at least 175% of the national average; or	60
(F) The per capita income is not more than 65% of the national average.	60
(G) The 24-month unemployment rate is at least 1 percentage point greater than the national average; or	50
(H) The per capita income is not more than 80% of the national average.	50

## **EDA Public Works Program**

Through the Public Works program, EDA provides catalytic investments to help distressed communities build, design, or engineer critical infrastructure and facilities that will help implement regional development strategies and advance bottom-up economic development goals to promote regional prosperity. The Public Works program provides resources to meet construction and/or the design of infrastructure needs of communities to enable them to become more economically competitive.

Prior examples of investments EDA supported through the Public Works program include projects supporting water and sewer system improvements, industrial parks, high-tech shipping and logistics facilities, workforce training facilities, business incubators and accelerators, brownfield development, technology-based facilities, wet labs, multi-tenant manufacturing facilities, science and research parks, and telecommunications infrastructure and development facilities.

Investments made through the Public Works program must be aligned with a current regional economic development strategy and clearly lead to the creation or retention of long-term jobs. For example, under this program, EDA may provide funding to a consortium of eligible recipients to support the construction of a technology center that provides laboratory, office, and manufacturing space that leads to the creation of advanced manufacturing jobs. As another example, EDA may provide funding to a county government to support regional job creation in targeted cluster industries and expand those industries' ability to export goods.

**Funding:** Funding appropriated in FY 2014 awarded \$96 million to the Public Works Program. The average size of a Public Works investment has been approximately \$1.4 million, and investments range from \$200,000 to \$3,000,000.

**Grant Period:** The project period for a construction investment under EDA's Public Works program may last for three years.

**Deadlines for submissions:** EDA sets quarterly deadlines for submission of applications in order to be considered for an award in that quarterly funding cycle. For FY 2014 the deadlines are:

- December 13, 2013 for funding cycle 2 of FY 2014;
- March 14, 2014 for funding cycle 3 of FY 2014;
- June 13, 2014 for funding cycle 4 of FY 2014; and
- October 17, 2014 for funding cycle 1 of FY 2015.

**Notice of Funding Availability:** [EDA Public Works](#)

## **EDA Economic Adjustment Assistance Program**

Through the Economic Adjustment Assistance (EAA) program, EDA provides investments that support a wide range of construction and non-construction activities (including infrastructure, design and engineering, technical assistance, economic recovery strategies, and capitalization or re-capitalization of Revolving Loan Fund (RLF) projects) in regions experiencing severe economic dislocations that may occur suddenly or over time. EDA utilizes EAA investments to provide resources that help communities experiencing or anticipating economic dislocations to plan and implement specific solutions to leverage their existing regional economic advantages to support economic development and job creation.

EAA investments are designed to help communities catalyze public-private partnerships to foster collaboration, attract investment, create jobs, and foster economic resiliency and prosperity. For example, EDA might provide funding to a university or community college to launch a regional innovation strategy that provides technical assistance to smaller manufacturers to promote and enhance the growth of emerging industries and stem job losses in manufacturing businesses as a result of foreign competition. As another example, EDA might provide funding to a city to support the construction of a publically-owned multi-tenant business and industrial facility to house early-stage businesses.

EDA will continue to consider applications from communities experiencing adverse economic changes due to base realignment and closures (BRAC) and federally declared disasters when awarding assistance from FY 2014 EAA program funds. In addition to the assistance described above, EDA assistance to such communities may include planning, coordinating the use of Federal resources available to support economic development recovery, and developing regionally focused economic recovery and growth strategies.

**Funding:** Funding appropriated in FY2014 awarded \$42 million to the Economic Adjustment Assistance program. The average size of an EAA investment has been approximately \$820,000, and investments range from \$100,000 to \$1,250,000.

**Grant Period:** A strategy investment under EDA's EAA program may allow for one to three years for completion of the scope of work, depending on its complexity or urgency.

**Deadlines for submissions:** EDA sets quarterly deadlines for submission of applications in order to be considered for an award in that quarterly funding cycle. For FY 2014 the deadlines are:

- December 13, 2013 for funding cycle 2 of FY 2014;
- March 14, 2014 for funding cycle 3 of FY 2014;
- June 13, 2014 for funding cycle 4 of FY 2014; and
- October 17, 2014 for funding cycle 1 of FY 2015.

**Notice of Funding Availability:** [EDA Economic Adjustment](#)

## EDA Planning Program

Through the Planning program, EDA provides assistance to eligible recipients to create regional economic development plans in order to stimulate and guide the economic development efforts of a community or region. As part of this program, EDA supports Partnership Planning investments to facilitate the development, implementation, revision, or replacement of Comprehensive Economic Development Strategies (CEDs), which leverage the unique assets of their respective regions to help create and retain higher-skill, higher-wage jobs, particularly for the unemployed and underemployed in the Nation's most economically distressed regions.

To facilitate CEDs, EDA provides Partnership Planning grants to the designated planning organization (e.g., District Organization) serving EDA-designated Economic Development Districts (EDDs) throughout the Nation. These planning organizations are typically recognized by the State in which they reside as multi-jurisdictional councils of governments, regional commissions, or planning and development centers. Partnership Planning grants enable planning organizations to manage and coordinate the development and implementation of CEDs. In addition, EDA provides Partnership Planning grants to Indian Tribes to help organize and assist with the implementation of economic development activities within their areas. The majority of funding under the Planning program is for Partnership Planning grants for Indian Tribes and EDA-designated EDDs.

The Planning program also helps support planning organizations and other eligible recipients, including District Organizations and Indian Tribes, with Short-Term and State Planning efforts in order to stimulate and guide the creation and/or retention of higher-skill, higher-wage jobs, particularly for the unemployed and underemployed in the Nation's most economically distressed regions. For example, EDA might provide Short-Term Planning funding to a coalition of Tribal and regional organizations to plan a coordinated response to the sudden loss of a major employer in the affected area(s).

**Funding:** Funding appropriated in FY 2014 awarded \$29,000,000 for Planning Grants. Annual grant amounts per recipient for EDA's Partnership Planning, Short-Term, and State Planning programs are typically between \$60,000 and \$70,000.

**Grant Period:** In general Planning investments is usually one year in duration, but a specific award may allow for up to three years for completion of the scope of work.

**Deadlines for submissions:** Applications are accepted on a continuing basis and processed as received.

**Notice of Funding Availability:** [EDA Planning](#)

## **EDA Local Technical Assistance**

The Local Technical Assistance program helps analyze the feasibility of potential economic development projects, such as an industrial park or a high-technology business incubator. Feasibility studies are an effective tool for determining whether the market will support a particular activity or site. Local Technical Assistance can prevent costly mistakes and misguided investments, such as costly infrastructure improvements to support obsolete industries. Targeted market feasibility studies can help communities overcome these hurdles and identify tomorrow's higher-wage employers. Because of these feasibility studies, many communities have subsequently received funding under EDA's Public Works or Economic Development Assistance programs, or other federal and state programs, to implement those projects.

For example, EDA might provide funds to help a city prepare a feasibility study regarding the use of an abandoned manufacturing facility for an activity that advances local economic development.

**Funding:** Funding appropriated in FY 2014 awarded \$11,000,000 to the Local Technical Assistance program. In FY 2011, the median award amount for technical assistance projects was \$83,000.

**Grant Period:** In general Local Technical Assistance investments is usually one year in duration, but a specific award may allow for up to three years for completion of the scope of work.

**Deadlines for submissions:** Applications are accepted on a continuing basis and processed as received.

**Notice of Funding Availability:** [EDA Local Technical Assistance](#)

## EDA University Centers

EDA's University Center Economic Development Program makes the resources of universities available to the economic development community.

Institutions of higher education have extensive resources, including specialized research, outreach, technology transfer, and commercialization capabilities, as well as recognized faculty expertise and sophisticated laboratories. The EDA-supported University Center (UC) program is specifically designed to marshal the resources located within colleges and universities to support regional economic development strategies in regions of chronic and acute economic distress. The UCs, which EDA considers long-term partners in economic development, are required to devote the majority of their funding to respond to technical assistance requests originating from organizations located in the economically distressed portions of their service regions.

The UCs have a long history of promoting and facilitating economic development in their service regions. They have been among the first to recognize emerging technical assistance needs. As early as FY 1980, EDA-funded UCs were among the first to recognize and respond to the needs of small- and medium-sized manufacturers and processors for technology transfer and commercialization assistance.

Most UCs focus their efforts on assisting units of local governments and nonprofit organizations in planning and implementing regional economic development strategies and projects. Typical actions provided by the UCs include targeted commercialization of research, workforce development, and business counseling services. Other UCs may focus their efforts on helping local organizations with conducting preliminary feasibility studies, analyzing data, and convening customized seminars and workshops on topics such as regional strategic planning and capital budgeting.

**Website:** <http://www.eda.gov/tools/university-centers.htm>

## EDA Project Evaluation Criteria

EDA will evaluate applications for the Short-Term and State Planning and Local Technical Assistance, and Public Works and Economic Adjustment Assistance programs based on their ability to satisfy the following criteria.

1. A determination that the application better meets the overall objectives of section 2 of PWEDA (42 U.S.C. § 3121) (20%)

2. The project's demonstrated alignment with at least one of EDA's current investment priorities as published on EDA's website at [www.eda.gov](http://www.eda.gov) (20%) EDA has established the following investment priorities:

a. **Collaborative Regional Innovation**

Initiatives that support the development and growth of innovation clusters based on existing regional competitive strengths. Initiatives must engage stakeholders; facilitate collaboration among urban, suburban, and rural (including tribal) areas; provide stability for economic development through long-term intergovernmental and public/private collaboration; and support the growth of existing and emerging industries.

b. **Public/Private Partnerships**

Investments that use both public- and private-sector resources and leverage complementary investments by other government/public entities and/or nonprofits.

c. **National Strategic Priorities**

Initiatives that encourage job growth and business expansion related to advanced manufacturing; information technology (e.g., broadband, smart grid) infrastructure; communities severely impacted by automotive industry restructuring; urban waters; natural disaster mitigation and resiliency; access to capital for small, medium-sized, and ethnically diverse enterprises; and innovations in science and health care.

d. **Global Competitiveness**

Initiatives that support high-growth businesses and innovation-based entrepreneurs to expand and compete in global markets, especially investments that expand U.S. exports, encourage foreign direct investment, and promote the repatriation of jobs back to the U.S.

e. **Environmentally-Sustainable Development**

Investments that promote job creation and economic prosperity through projects that enhance environmental quality and develop and implement green products, processes, places, and buildings as part of the green economy. This includes support for energy-efficient green technologies.

**f. Economically Distressed and Underserved Communities**

Investments that strengthen diverse communities that have suffered disproportionate economic job losses and/or are rebuilding to become more competitive in the global economy.

3. The project's potential to increase the capacity of the community or region to promote job creation and private investment in the regional economy (20%)

4. The likelihood that the project will achieve its projected outcomes (20%)

5. Ability of the applicant to successfully implement the proposed project, including the applicant's financial and management capacity and the applicant's capacity to secure the support of key public and private sector stakeholders (20%)

## Submitting the Grant:

Applications for all types of EDA assistance must include the following basic documents:

- One Form ED-900 (Application for Investment Assistance) and accompanying supporting documentation. One complete form per project is required.
- One Form SF-424 (Application for Federal Assistance) from each co-applicant, as applicable.
- One Form CD-511 (Certification Regarding Lobbying) from each co-applicant, as applicable.
- One Form SF-LLL (Disclosure of Lobbying Activities) from each co-applicant, as applicable.
- Documentation confirming non-EDA (matching or cost share) funding, for example letters of commitment and other documentation, as necessary. For example, if bonds are contemplated as match, counsel opinion of the applicant's bonding authority and eligibility of the bonds for use as match, along with full disclosure of the type of bonds and the schedule of the applicant's intended bond issue, are required. Please contact the applicable EDA representative listed in section VIII. of this FFO with questions regarding this requirement.
- If the applicant or co-applicant is a non-profit, a copy of the (1) Certificate of good standing from the State in which the non-profit organization is incorporated; (2) non-profit organization's current Articles of Incorporation or other formation documents, as applicable; (3) By-Laws; and (4) resolution (or letter) from a general purpose subdivision of State government acknowledging that the non-profit organization is acting in cooperation with officials of that political subdivision (*see* 13 C.F.R. § 301.2).
- Comments from the State Clearinghouse to comply with Executive Order 12372, "Intergovernmental Review of Federal Programs," if applicable. If the comment period has not expired or comments were not received, a copy of the applicant's request for comments is sufficient; however, in that instance, the final determination will be required prior to award. Detailed information on the State Clearinghouse process can be accessed at [http://www.whitehouse.gov/omb/grants\\_spoc](http://www.whitehouse.gov/omb/grants_spoc).