

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OVERVIEW OF NEW AND CROSS-CUTTING INITIATIVES
CATALYTIC INVESTMENT COMPETITION GRANTS**

The new Catalytic Competition Grants program uses the authorities of CDBG, but will provide capital to bring impactful and innovative economic development projects to scale. The competitive grants will fund applicants with targeted economic investments while leveraging other Federal neighborhood revitalization programs, including mainstream CDBG funding. Unlike CDBG, consortia including high capacity non-governmental entities that have developed an innovative plan may apply along with governmental entities, and the grants will target areas experiencing significant economic distress.

The Catalytic Investment Competition Grants program will fund \$150 million in competitive grants with the purpose of providing economic development and gap financing to implement and capitalize innovative and targeted economic investment for neighborhood and community revitalization. The program will create a competitive funding stream that is responsive to changes in economic and market conditions. The program will be targeted towards communities or neighborhoods experiencing demonstrated distress as defined by the Secretary and that have developed an innovative and robust plan with measurable outcomes to improve economic vitality and increase jobs of a target area. The definition of distress may include, but is not limited to, large-scale property vacancy and abandonment due to long-term employment and population loss. The plans to improve economic vitality may vary, including, increasing economic development that is centrally located or near public transit.

Grant funds may be used for, but are not limited, to activities that: (1) implement projects designed to reclaim vacant property, for the purposes of creating green infrastructure and other environmentally and economically sustainable uses; (2) remove or ameliorate property-related obstacles to economic recovery; (3) support facilitation of economic development and neighborhood viability in targeted neighborhoods and redevelopment into communities with attractive amenities and high quality infrastructure, including the provision of assistance and outreach to small and medium sized businesses; (4) support economic activities related to transit-oriented development; and (5) administrative costs, as established by the Secretary.

The Department may consider how much and to what extent the project will complement and leverage other community development and revitalization activities. A project may implement activities to augment the Choice Neighborhoods Initiative, Promise Neighborhoods, HOPE VI, Sustainable Communities, or other place-based strategies to help strengthen existing and planned investments in targeted neighborhoods to improve economic viability, extend neighborhood transformation efforts, and foster viable and sustainable communities. An applicant must also leverage other appropriate Federal resources, such as, concentrating CDBG investments in particular neighborhoods, Section 108 Loan Guarantees, and local and state economic development programs.

Additional details for this program can be found in the Community Development Block Grants justification.