

Economic Development Initiative is No Longer Being Funded

What is the Economic Development Initiative?

The Economic Development Initiative (EDI) was enacted in 1994 and is intended to complement and enhance the Section 108 Loan Guarantee program. The purpose of EDI grant funds is to further minimize the potential loss of future Community Development Block Grant allocations by:

- a. Strengthening the economic feasibility of the projects financed with Section 108 funds (and thereby increasing the probability that the project will generate enough cash to repay the guaranteed loan);
- b. Directly enhancing the security of the guaranteed loan; or
- c. Through a combination of these or other risk mitigation techniques

Eligible grantees

States and CDBG entitlement and non-entitlement communities. EDI benefits the businesses supported through Section 108 loans and the principally low and moderate income persons hired by those businesses.

Eligible Activities

EDI grant funds can only be used in projects also assisted by the Section 108 Loan Program. Such projects may involve activities as property acquisition, rehabilitation of publicly owned property, housing rehabilitation, economic development activities, acquisition, construction, reconstruction, or installation of public facilities, and for colonias, public works and other site improvements.

Laws and Regulations

EDI is authorized by Section 108 (q) of the Housing and Community Development Act of 1974, as amended. The program regulations are identical to those governing Community Development block Grants and the Section 108 Loan program, which are found at 24 CFR Part 570.

The Office of Economic Development within the Office of Community Planning and Development administers the program.

Contact: Bill Seedyke
451 Seventh Street, SW
Room 7140
Washington, DC 20410
(202) 708-3484, ext 4445