



COMMUNITY ECONOMIC DEVELOPMENT (CED)

Purpose:

To support employment and commercial development projects designed to provide economic self-sufficiency for individuals with low incomes and their communities.

Legislative Authority:

Section 680 of the Community Services Block Grant Act (P.L. 105-285), as amended.

Appropriations:

In FY 2019, \$19.88 million.

In FY 2018, \$19.88 million.

Eligible Applicants:

Private, non-profit organizations that are Community Development Corporations (CDCs), including faith-based organizations, and tribal and Alaskan Native organizations. CDCs must be governed by a tripartite board of directors that consists of residents of the community served, and local business and civic leaders. CDCs must have as their principal purpose planning, developing, or managing low-income housing or community development projects.

Target Population:

Individuals with low incomes residing in the project's service area.

Uses:

Grants are awarded for the following project costs:

- Startup or expansion of businesses, and physical or commercial activities;
- Capital expenditures such as the purchase of equipment or real property;
- Allowable operating expenses; and
- Loans or equity investments.

Examples of projects funded include business incubators, shopping centers, manufacturing businesses, and agriculture initiatives.

Type of Grant:

Competitive Discretionary Grant



Program Requirements:

CED funds may be used for a wide variety of business start-up or business expansion activities, as long as the expenditures result in the creation of positions that can be filled by individuals with low incomes. CED projects are expected to actively recruit individuals with low income to fill the positions created by CED-funded development activities, and to assist those individuals to successfully hold those jobs and ensure that the businesses and jobs created remain viable for at least one year after the end of the grant period.

Program Highlights:

CED funds are flexible and can be used for commercial developments and equity investments or loans to capitalize a new business or expand an existing business, as long as the project creates new, full-time permanent jobs for individuals with low incomes. The versatility of the CED Program allows communities to drive the type of investment and/or business to that which is most needed in the community by directly funding CDCs. CDCs build community assets and ensure the profits and subsequent reinvestments remain in the local community. Grants are being used by CDCs across the country, in nearly every state and in both urban and rural communities.

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