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# A Guide to Federal Economic Development Programs for Faith-Based and Community Organizations

WHITE HOUSE  
FAITH-BASED  
AND  
COMMUNITY  
INITIATIVES

*“The indispensable and transforming work of faith-based and other charitable service groups must be encouraged. Government cannot be replaced by charities, but it can and should welcome them as partners. We must heed the growing consensus across America that successful government social programs work in fruitful partnership with community-serving and faith-based organizations.”*

*President George W. Bush*

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# INTRODUCTION

**Faith-based and community organizations play a vibrant role in the lives of the people they serve. They offer and support a wide range of programs that are responsive to the needs of their communities.**

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## **Purpose of the Guide**

The Federal government provides financial support for a vast array of activities at the local, state, and national levels. The large number of programs and services available create challenges when identifying desired resources. This is true in the field of economic development as well as other areas.

This guide presents a categorized listing of sample economic development efforts funded by the Federal government. The purpose of this list is to provide an introductory reference for service organizations interested in learning about some of the available opportunities for strengthening the economic health and stability of individuals, communities, and businesses.

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## **About the Faith-Based and Community Initiative**

As one of the first acts of his Presidency, President Bush established the White House Office of Faith-Based and Community Initiatives. He also created Centers for the Initiative in eleven Federal agencies: the Departments of Justice, Agriculture, Labor, Health and Human Services (HHS), Housing and Urban Development (HUD), Education, Commerce, Veterans Affairs, and Homeland Security, the Agency for International Development, and the Small Business Administration.

The White House Office and the Agency Centers are charged with ensuring that local faith-based and community groups have a fair opportunity to compete for Federal financial assistance. They provide information and address potential barriers as faith-based and community groups interface with the government.

The White House Office and Agency Centers also help faith-based and community groups in other ways. They connect groups to one another, identify new resources to support their programs and services, and assist in the enhancement of organizational capacities.

Should you require additional information or have further questions, please do not hesitate to contact the White House Office of Faith-Based and Community Initiatives and the Federal agency centers. Contact information is provided at the end of this guide.

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## What is Economic Development?

Economic development is a common term, but it can mean different things to different people. For some, it is largely a set of activities designed to stimulate business growth. For others, it is characterized by efforts to increase the number of available jobs. However, while these aspects are important, they do not fully capture the range of activities, individuals, and organizations that are critical to success.

For the purposes of this document, economic development is defined as a process of engaging communities, businesses, and government in a shared effort to formulate and implement positive efforts to address economic challenges and enhance the quality of life. This process involves a number of facets, including expansion of business opportunity, creation of jobs, improvement of public facilities, and enhancement of community amenities. As presented in this guide, the Federal Government offers financial support in these and other areas.

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## How the Federal Government Supports Economic Development

A number of departments and agencies within the Federal Government provide financial resources for economic development activities at the local, state, and national level through three primary approaches. These include:

- **Grants.** Funds are available to provide financial assistance to economic development efforts in the form of grants awarded to individuals, organizations, businesses, and units of government at the state and local levels. It is important to note that the largest share of grant resources is distributed to state and local governments, either on a formula basis or to fund specific projects.
- **Loans.** The Federal Government makes capital available for economic development through loan programs. Depending on the program, financing is available to support individuals, businesses, nonprofit organizations, and the community as a whole. Loans are made either directly to the organization or through intermediaries. Alternatively, guarantees are available for loans extended by third parties, such as financial institutions.
- **Tax Incentives.** Federal tax policy is an invaluable support for economic development. Through tax credits, expansion of allowable deductions, and favorable treatment of investment income, individuals and organizations are encouraged to contribute to community improvements, business growth, and greater employment opportunity.

Examples of these approaches to economic development support are presented in the following sections of this guide.

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# GRANT PROGRAMS

**The Federal Government provides financial support for economic development through a wide range of grant programs targeting states, local units of government, nonprofit organizations, and private firms.**

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## **Bank Enterprise Award Program**

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**Department of the Treasury**  
Community Development Financial Institutions Fund  
601 13th Street, NW  
Suite 200 South  
Washington, DC 20005  
(202) 622-8662

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Type of Assistance. Project grants.

Purpose. The purpose of the Award Program is to encourage insured depository institutions to increase their levels of community development activities and investments in distressed areas.

Eligible Recipients. Private and other insured depository institutions.

Funding Availability. \$10,000,000 in FY2007 (estimated).

Application Process. Eligible insured depository institutions complete a Bank Enterprise Award Program application package for review by the Community Development Financial Institutions Fund.

Summary. Grant funds are awarded to select FDIC-insured banks that apply for participation in the program and support community development financial institutions, increase lending and investment activities in distressed communities, or increase the provision of financial services and technical assistance in distressed communities. The amount of the awards is based upon a percentage of the increases in qualifying activities that are carried out by the grant recipient.

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## **Brownfields Assessment and Cleanup Cooperative Agreements**

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**Environmental Protection Agency**  
Office of Solid Waste and Emergency Response  
Brownfields Cleanup and Redevelopment  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460  
(202) 566-2777

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Type of Assistance. Project grants.

Purpose. The purpose of the Cooperative Agreement Program is to support the assessment and cleanup of polluted former industrial sites for subsequent redevelopment and return to productive use.

Eligible Recipients. State and local governments, redevelopment authorities, Indian tribes, higher education institutions, and nonprofit organizations.

Funding Availability. \$72,000,000 in FY2007 (estimated).

Application Process. Entities seeking grant support submit a standard application package, subject to review requirements established by the state. Grants are awarded competitively.

Summary. Funds may be used to address contamination of abandoned or underutilized industrial property. Activities include conducting assessments of identified Brownfield sites, providing grants and loans for cleanup activities, and cleaning of sites that are owned by the recipient.

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## Community Development Block Grant/Economic Development Initiative

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**Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 Office of Economic Development  
 451 7th Street, SW  
 Washington, DC 20410  
 (202) 708-0614

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Type of Assistance. Project grants.

Purpose. The purpose of the Economic Development Initiative is to help public entities, who are eligible under the Section 108 Loan Guarantee program, carry out economic development projects.

Eligible Recipients. Local governments that are eligible public entities under the Section 108 Loan Guarantee program.

Funding Availability. \$25,000,000 in FY2007 (estimated).

Application Process. Local governments submit proposals to the Department of Housing and Urban Development in response to an announcement in the Federal Register. Grants are awarded competitively.

Summary. Grant assistance must enhance the security of loans guaranteed under the Section 108 program or improve the viability of projects financed with loans guaranteed under the Section 108 program. In addition, this program will make competitive economic development grants in conjunction with Section 108 loan guarantees for qualified Brownfields projects.

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## Community Development Block Grant/Entitlement Grants

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**Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 Office of Block Grant Assistance, Entitlement Services Division  
 451 7th Street, SW  
 Washington, DC 20410  
 (202) 708-1577

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Type of Assistance. Formula grants.

Purpose. The purpose of Entitlement Grants is to support the development of viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

Eligible Recipients. Designated units of government within central cities and urban counties, as defined by the Office of Management and Budget.

Funding Availability. \$2,613,245,474 in FY2007.

Application Process. Eligible communities prepare action plans as part of a Consolidated Plan covering four major HUD formula distribution grant programs. Local community participation and public hearings are required as part of the planning process.

Summary. Grant recipients may undertake a wide range of activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Funds may be used to pay for public services within certain limits, and grantees may contract with other local agencies or nonprofit organizations to carry out part or all of their programs. Additionally, grantees may provide assistance to micro-enterprises or other for-profit entities when the recipient determines that the provision of such assistance is appropriate to support an economic development project. All eligible activities must either benefit low and moderate income persons, aid in the prevention or elimination of slums or blight, or meet other urgent community development needs.



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## Community Development Block Grant/State Program

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**Department of Housing and Urban Development**  
Office of Community Planning and Development  
Office of Block Grant Assistance, State and Small Cities Division  
451 7th Street, SW  
Washington, DC 20410  
(202) 708-1322

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Type of Assistance. Formula grants.

Purpose. The purpose of the State Program is to support the development of viable urban communities in non-entitlement areas by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

Eligible Recipients. State governments. Awarded funds must be distributed by states to units of local government that are not within entitlement areas identified by the Office of Management and Budget. Nonprofit organizations are eligible to receive funds as a sub-grantee in the program.

Funding Availability. \$1,105,859,331 in FY2007.

Application Process. States prepare action plans as part of a Consolidated Plan covering four major HUD formula distribution grant programs. Citizen participation is required in the planning process. The plan must include the method to be used for distributing funding.

Summary. State governments may define their own priorities and programs as part of the planning process. States may use a portion of the grant for administration, as well as for the delivery of technical assistance to local governments and nonprofit organizations receiving funds through the program. Local governments may undertake a wide range of activities directed toward neighborhood revitalization, economic development, and provision of improved community facilities and services. Funds may be used to pay for public services within certain limits, and participating local units of government may contract with other local agencies or nonprofit organizations to carry out part or all of their programs. Funds may also be used to provide assistance to for-profit entities when the local governments grant recipient determines that such assistance is appropriate to support an economic development project. All eligible activities must either benefit low and moderate income persons, aid in the prevention or elimination of slums or blight, or meet other urgent local community development needs.

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## Community Development Financial Institutions Program

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**Department of the Treasury**  
Community Development Financial Institutions Fund  
601 13th Street, NW  
Suite 200 South  
Washington, DC 20005  
(202) 622-8662

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to promote economic revitalization and community development through investments in and assistance to community development financial institutions.

Eligible Recipients. Nonprofit and profit community development financial institutions, as well as organizations that provide the information necessary to certify that the applicant is seeking to become a community development financial institution.

Funding Availability. \$26,000,000 in FY2007 (estimated).

Application Process. Eligible organizations submit a standard application package to the Community Development Financial Institutions Fund for review.

Summary. Funds may be used for financial and technical assistance support to community development financial institutions that enhance their capacity to make loans and development investments, and to provide services that will promote economic development and community revitalization, such as business retention, small business assistance, affordable housing construction, and employment opportunity for low income residents.

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## Community Facilities Loans and Grants

(Note: The Community Facilities Loans and Grants Program also makes loans available to qualified entities. Please see the discussion under Loan Programs.)

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**Department of Agriculture**  
Housing and Community Facilities Programs National Office  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 720-4323

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Type of Assistance. Project grants.

Purpose. The purpose of the Grant Program is to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population.

Eligible Recipients. Public entities such as municipalities, counties, and special-purpose districts, as well as nonprofit corporations and tribal governments.

Funding Availability. \$17,400,000 in FY2007.

Application Process. Applications are filed with the USDA Rural Development field offices. Rural Development staff will be glad to discuss a community's needs and the services available from Rural Development and sister agencies within USDA. Detailed information and applications for financial assistance are available through Rural Development State Offices.

Summary. Grants may be used for the construction, expansion, or improvement of a wide range of facilities supportive of community development in financially challenged areas. Funds are typically used for projects under special initiatives, such as Native American community development efforts; child care centers linked with the Federal government's Welfare-to-Work initiative; Federally-designated Enterprise and Champion Communities; and the Northwest Economic Adjustment Initiative area.

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## Community Services Block Grant/Discretionary Awards

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### **Department of Health and Human Services**

Office of Community Services, Administration for Children and Families

Office of Community Services, Division of Discretionary Grant Program

370 L'Enfant Promenade, SW

Washington, DC 20447

(202) 401-9333

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Type of Assistance. Project grants.

Purpose. The purpose of the Community Services Block Grant (CSBG)/Discretionary Awards is to support activities that alleviate the causes of poverty in distressed communities. There are two programs under this legislation: Community Economic Development (CED) and the Rural Community Facilities Development (RF) programs. The CED program addresses the economic needs of low-income individuals and families by creating employment and business community development opportunities. The RF program provides training assistance to low income rural communities in developing and managing affordable safe water and waste water treatment facilities.

Eligible Recipients. For CED projects, the Office of Community Services supports Community Development Corporations (CDCs) including those operated by American Indian and Alaska Native and faith-based and community organizations that are experienced in implementing community economic development projects. The organizations applying for CED funding should have a principal purpose in planning, developing and managing community development projects. The governing body of these organizations should consist of residents of the community, business representatives, and civic leaders. For RF projects, the Office of Community Services supports multi-state, regional, private, nonprofit organizations that provide training and technical assistance to small, rural communities in developing and managing affordable, safe water and wastewater treatment facilities.

Funding Availability. \$34,292,000 in FY2007 (estimated).

Application Process. Organizations seeking grant support submit a standard application package. Grant recipients are selected competitively.

Summary. CED grants are provided to locally initiated community development corporations which sponsor enterprises providing employment, job training, and business development opportunities for low-income residents. It is essential that the focus of the project concentrate on the creation of new full-time, permanent jobs and/or new realized business development opportunities for low-income individuals. RF grants are provided to multi-state, regional private not-for-profit organizations that support training and technical assistance to small, rural communities in the development and managing of affordable, safe water and wastewater treatment facilities.

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## Community Services Block Grant/Formula Grants

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### **Department of Health and Human Services**

Office of Community Services, Administration for Children and Families

Office of Community Services, Division of State Assistance

370 L'Enfant Promenade, SW

Washington, DC 20447

(202) 401-6968

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Type of Assistance. Formula grants.

Purpose. The Community Services Block Grant program provides states and Indian Tribes with funds to lessen poverty in communities. The funds provide a range of services and activities to assist the needs of low-income individuals including the homeless, migrants and the elderly.

Eligible Recipients. State governments and governing bodies of state-recognized Indian Tribal organizations.

Funding Availability. \$630,425,070 in FY2007 (estimated).

Application Process. The state agency designated by the Governor submits an annual plan to DHHS detailing proposed uses and distribution of grant funds, as well as governing board and administrative requirements for community action agencies and other nonprofit organizations receiving funds. States are required to hold public hearings as part of the planning process.

Summary. Through grants to locally-based nonprofit organizations engaged in antipoverty efforts, states provide funding for the delivery of services designed to reduce poverty in low income communities, such as employment, education, housing, and other efforts to remove obstacles to self sufficiency. Grants also support increased community involvement. Additionally, funds may also be used to provide emergency services, food, and other assistance as required to address the needs of low income individuals and families. Further, the program seeks to contribute to the establishment and coordination of linkages between governmental and community-based social service organizations, and to encourage the involvement of the private sector.

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## Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)

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### **Department of Housing and Urban Development**

Office of Public Housing Investment

451 7th Street, SW

Washington, DC 20410

(202) 401-8812

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Type of Assistance. Project grants.

Purpose. The purpose of the HOPE VI program is to support demolition, rehabilitation, or replacement of severely depressed public housing units.

Eligible Recipients. Public housing authorities operating public units.

Funding Availability. \$1,000,000,000 in FY2007 (estimated).

Application Process. Public housing authorities seeking grant support submit applications in accordance with prior review and procedural requirements established by the state. Grant recipients are selected competitively.

Summary. Funds may be used for the full or partial demolition of severely distressed public housing developments, revitalization of sites on which such developments are located, and construction of replacement housing. Additionally, up to 15 percent of a grant may be used for community and supportive services programs.

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## Economic Adjustment Assistance

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**Department of Commerce**  
Economic Development Administration  
Economic Adjustment Division  
1401 Constitution Avenue, NW  
Washington, DC 20230  
(202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the Economic Adjustment Assistance Program is to provide developmental support for local areas or regions, generally in response to sudden and severe damage to the local economy.

Eligible Recipients. State and local governments, economic development districts, other state political subdivisions, Indian tribes, higher education institutions, and public or private nonprofit organizations acting in cooperation with a political subdivision.

Funding Availability. \$44,159,839 in FY2007.

Application Process. Representatives of the Economic Development Administration meet with potential grant applicants to determine whether preparation of a complete project proposal is indicated. Should a complete proposal be appropriate, standard forms, instructions, and assistance are provided. Grant recipients are selected competitively.

Summary. Grant funds may be used for strategic planning and project implementation. Activities may include the creation/expansion of strategically targeted business development and financing programs, such as revolving loan funds, infrastructure improvements, organizational development, market research, and industry analysis. Grant programs focus on local economies with severe problems of unemployment or families with low incomes resulting from structural changes caused by industrial or corporate restructuring, new Federal laws or requirements, reductions in defense expenditures, depletion of natural resources, or natural disaster.

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## Economic Development Support for Planning Organizations

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**Department of Commerce**  
Economic Development Administration  
Planning and Development Assistance Division  
1401 Constitution Avenue, NW  
Washington, DC 20230  
(202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the Grant Program is to provide support to states, sub-state areas, Indian tribes, and local governments to strengthen their economic development planning capabilities to formulate and establish comprehensive economic development processes and strategies designed to reduce unemployment and increase incomes.

Eligible Recipients. State and local governments, economic development districts, other state political subdivisions, Indian tribes, higher education institutions, and public or private nonprofit organizations.

Funding Availability. \$27,000,000 in FY2007.

Application Process. Potential applicants should submit a letter of interest, statement of distress, and proposed work plan not to exceed ten pages. If subsequently invited by the Economic Development Administration, applicants submit full proposals using standard forms and instructions. Proposals are subject to review requirements established by the state. Grant recipients are selected competitively.

Summary. Grant funds may be used to help defray the cost of economic development planning and the administrative expenses of organizations engaged in the planning process. Planning activities are intended to address the long-range economic development of areas with severe unemployment and families with low incomes by helping to create an environment where higher paying, permanent jobs can be created. Funded planning should focus on maximizing the attraction of private sector investment and job creation.

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## Economic Development Technical Assistance

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**Department of Commerce**  
 Economic Development Administration  
 Planning and Development Assistance Division  
 1401 Constitution Avenue, NW  
 Washington, DC 20230  
 (202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to support the delivery of technical assistance designed to promote economic development and alleviate unemployment and underemployment in distressed areas.

Eligible Recipients. Generally, state and local governments, other state political subdivisions, Indian tribes, higher education institutions, and public or private nonprofit organizations. In limited circumstances, for-profit firms or individuals are eligible.

Funding Availability. \$8,203,069 in FY2007.

Application Process. Regional and local projects submit a standard application package, subject to review requirements established by the state. Applications for programs that are national in scope are submitted directly to the Economic Development Administration. Grant recipients are selected competitively.

Summary. Grant funds may be used to support national, local, or university-based technical assistance in economically depressed areas. Technical assistance offered through projects includes such activities as promotion of economic development through University Centers, support for innovative economic development projects, dissemination of information, research, and feasibility studies.

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## HOME Investment Partnerships Program

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**Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 Office of Affordable Housing Programs  
 451 7th Street, SW  
 Room 7164  
 Washington, DC 20410  
 (202) 708-2470

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Type of Assistance. Formula grants and project grants.

Purpose. The purpose of the program is to support state and local efforts to expand the supply of affordable housing, particularly rental housing, for low and very low income community residents.

Eligible Recipients. For formula grants, state and local governments. For project grants, insular areas.

Funding Availability. \$1,681,516,834, in FY2007.

Application Process. Eligible recipients submit a Consolidated Plan, an annual action plan, and certifications to HUD.

Summary. Grant assistance must be used by participating jurisdictions or insular areas for housing rehabilitation, tenant-based rental assistance, assistance to homebuyers, acquisition of housing and new construction of housing. Funding may also be used for other necessary and reasonable activities related to the development of non-luxury housing, such as site acquisition, site improvements, demolition and relocation. Ten percent of a participating jurisdiction's allocation may be used for administrative costs.

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## Job Opportunities for Low-Income Individuals/Discretionary Awards

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### **Department of Health and Human Services**

Office of Community Services, Administration for Children and Families

Office of Community Services, Division of Discretionary Grant Program

370 L'Enfant Promenade, SW

Washington, DC 20447

(202) 401-9333

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Type of Assistance. Project grants.

Purpose. The purpose of the Job Opportunities for Low-Income Individuals program (JOLI) is to provide technical and financial assistance to private employers in the community to assist them in creating employment and business opportunities for individuals receiving Temporary Assistance for Needy Families (TANF) and for other low-income individuals. Projects focus on one of three program strategies to create new jobs and employment opportunities: (1) new business ventures, (2) business expansion, and (3) self-employment/micro-enterprise.

Eligible Recipients. Nonprofits having 501(c)(3) status with the IRS (other than institutions of higher education), faith-based and community organizations that meet the statutory eligibility requirements and nonprofits having 501(c)(4) status with the IRS.

Funding Availability. \$5,378,000 in FY2007 (estimated).

Application Process. Organizations seeking grant support submit a standard application package. Grant recipients are selected competitively.

Summary. Grants are provided to nonprofit organizations to create new employment and business opportunities for TANF recipients and other low-income individuals. Priority is given to applicants proposing to serve those areas containing the highest percentage of individuals receiving TANF under a State program, which is funded under Part A of Title IV of the Social Security Act, and individuals whose income level does not exceed 100 percent of the official poverty line. It is essential that the focus of the project concentrate on the creation of new full-time, permanent jobs and/or new realized business development opportunities for TANF recipients and other low-income individuals.

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## Microloan Program: Technical Assistance Grants to Intermediaries

(Note: The Microloan Program also makes loans available to qualified intermediaries for re-lending to eligible businesses. For more see the discussion under Loan Programs.)

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### **Small Business Administration**

Office of Financial Assistance

409 3rd Street, SW

Washington, DC 20416

(202) 205-6490

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Type of Assistance. Formula grants.

Purpose. The purpose of the program is to provide grants to intermediary organizations enabling them to provide Microloan borrowers with marketing, management, and technical assistance.

Eligible Recipients. Nonprofit organizations, quasi-governmental economic development corporations, or an Agency established by a Native American Tribal Government.

Funding Availability. \$15,000,000 in FY2007 (estimated).

Application Process. Nonprofit organizations submit a standard application package to the Small Business Administration.

Summary. Microloan Technical Assistance Grants provide funding to intermediary organizations at not more than 25 percent of the outstanding balance of all SBA loans to the intermediary. These funds are to be used for providing marketing, management, and technical assistance to Microloan borrowers. Up to 25 percent of grant funds can be used to provide information and technical assistance to prospective Microloan borrowers.

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## Minority Business Development Centers

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**Department of Commerce**  
 Minority Business Development Agency  
 1401 Constitution Avenue, NW  
 Washington, DC 20230  
 (202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to provide business management and technical service support to minority business entrepreneurs and enterprises through the operation of a Minority Business Enterprise Center.

Eligible Recipients. No restrictions. Applicants may be individuals, nonprofit organizations, for-profit firms, state and local governments, Native American entities, and educational institutions.

Funding Availability. Refer to the applicable Federal Funding Opportunity Announcement.

Application Process. Individuals and organizations seeking grant support submit a standard application package for review by the Minority Business Development Agency. Grant recipients are selected competitively.

Summary. Grant funds may be used to operate a Minority Business Development Center offering electronic and one-on-one development services to minority firms and individuals interested in starting, expanding, or improving their businesses. Center operators provide a wide range of services to clients, from initial consultations to the identification and resolution of specific business problems. Minority Business Development Centers are primarily a technical assistance resource and do not provide loan funds or grants to individuals, businesses, or other entities.

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## Minority Business Opportunity Centers

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**Department of Commerce**  
 Minority Business Development Agency  
 1401 Constitution Avenue, NW  
 Washington, DC 20230  
 (202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to provide opportunities for minority businesses to enhance their access to the market place through the operation of a Minority Business Opportunity Center.

Eligible Recipients. State or local government agencies, quasi-governmental entities, Native American entities, higher education institutions, and nonprofit organizations.

Funding Availability. Refer to the applicable Federal Funding Opportunity Announcement.

Application Process. Organizations seeking grant support submit a standard application package for review by the Minority Business Development Agency. Grant recipients are selected competitively.

Summary. Grant funds shall be used to operate a Minority Business Opportunity Center to support the development of minority businesses. Activities include assisting businesses by identifying and facilitating procurement and contract awards, marketing and sales opportunities, financing resources, potential joint venture partners, and other current business information. Additionally, programs promote relationship development among organizations in a geographic service area, assist in the identification of sources of capital, conduct media outreach, and disseminate economic data.



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## Mutual Self-Help Technical Assistance Grants

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**Department of Agriculture**  
Housing Programs, National Office  
USDA Rural Development, Room 5014-S  
Mail Stop 0701  
1400 Independence Avenue SW  
Washington, DC 20250-0701  
(202) 690-1533

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Type of Assistance. Technical Assistance Grants.

Purpose. The purpose of the program is to provide grants to nonprofit and local government organizations, which supervise groups of 10 to 12 enrollees in the Self-Help Program.

Eligible Recipients. States, political subdivisions, public nonprofit corporations (including Indian Tribes or tribal corporations), or qualifying private nonprofit corporations.

Funding Availability. \$33,600,000 in FY2007.

Application Process. Contact a local office or call (866) 474-3600 for more information.

Summary. Self Help Technical Assistance (TA) Grants to an organization pay the cost of developing and administering a program of technical and supervisory assistance to aid the very low and low income families in building their own homes. The dual purpose of this program is to fund organizations that are willing to locate and work with families that otherwise do not qualify as homeowners and help those families learn the skills of maintaining a home by participating in its construction.

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## Public Works and Economic Development Facilities Grants

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**Department of Commerce**  
Economic Development Administration  
Public Works Division  
1401 Constitution Avenue, NW  
Washington, DC 20230  
(202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the Grant Program is to promote long-term economic development in areas experiencing substantial economic distress through investments in the construction and rehabilitation of the public infrastructure and facilities needed to generate higher-skill, higher-wage jobs and private investment.

Eligible Recipients. A state, city, county, or other political subdivision of a state, including a special purpose unit of a state or local government engaged in economic or infrastructure development activities, or a consortium of such political subdivision, an institution of higher education or a consortium of institutions of higher education, an Economic Development District organization, a private or public nonprofit organization or association, including a faith-based nonprofit organization, acting in cooperation with officials of a political subdivision of a state, or an Indian Tribe, or a consortium of Indian Tribes.

Funding Availability. \$158,088,956 in FY2007.

Application Process. An EDA Regional Office representative or Economic Development Representative (EDR) will meet with the applicant and community leaders to explore the applicability of the proposed project. If deemed appropriate, a proposal will be requested. After reviewing the proposal, the regional office or EDR will notify the applicant regarding the decision whether to invite a formal application. If the project appears viable, a pre-application conference with regional office personnel may be arranged at EDA's discretion. If EDA invites a formal application, the applicant must use the OMB-approved application form furnished by EDA.

Summary. Funds may be used to support a range of public works and improvement projects, such as water and sewer systems, industrial access roads, industrial and business parks, port facilities, railroad sidings, distance learning facilities, skills training facilities, business incubator facilities, and telecommunications infrastructure enhancements. Eligible activities include the acquisition, rehabilitation, design and engineering, or improvement of public land or publicly owned and operated development facilities, including machinery and equipment. Projects must improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities; support the creation of additional long-term employment opportunities; or benefit the unemployed, underemployed, or low income residents of the area.

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## Rural Business Enterprise Grants

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**Department of Agriculture**  
 Rural Business-Cooperative Service  
 1400 Independence Avenue, SW  
 Washington, DC 20250  
 (202) 690-4730

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Type of Assistance. Project grants.

Purpose. The purpose of the Rural Business Enterprise Grants is to provide assistance for the development of small and emerging private business, industry, and related employment opportunities for improving the economy in rural communities.

Eligible Recipients. State and local governments, other state political subdivisions, Indian tribes, and private nonprofit organizations in rural areas.

Funding Availability. \$39,600,000 in FY2007.

Application Process. Organizations seeking grants submit a standard application package, subject to review requirements established by the state. Funds are awarded competitively.

Summary. Grant may be used to create, expand or operate rural distance learning networks that provide educational or job-training instruction related to employment or job advancement; development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply, and waste disposal facilities; refinancing; services and fees; and to establish a revolving loan fund. Targeted funds may also be used for television programming to demonstrate the effectiveness of providing information on agriculture and other issues of importance to farmers and other rural residents. All grant activities must assist small and emerging private businesses with 50 or fewer employees and gross annual revenue of less than \$1 million.

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## Rural Business Opportunity Grants

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**Department of Agriculture**  
 Rural Business-Cooperative Service  
 1400 Independence Avenue, SW  
 Washington, DC 20250  
 (202) 690-4730

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Type of Assistance. Project grants.

Purpose. The purpose of the funding program is to provide financial support for sustainable economic development in rural communities with exceptional needs.

Eligible Recipients. State and local governments, other state political subdivisions, Indian tribes, and private nonprofit organizations in rural areas.

Funding Availability. \$3,000,000 in FY2007 (estimated).

Application Process. Organizations requesting grant support submit a standard application package, subject to review requirements established by the state. Funds are awarded competitively.

Summary. Funds may be used to help defray the costs of a range of economic development activities, such as strategic economic planning for rural communities, technical assistance for rural businesses, and training for rural entrepreneurs or economic development officials.

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## Rural Economic Development Grants

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**Department of Agriculture**  
Rural Business-Cooperative Service  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 690-4730

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to provide grant funds to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs.

Eligible Recipients. Nonprofit utilities that are eligible to receive assistance from the Rural Development Electric or Telecommunication Program, Current Rural Development Electric or Telecommunication Programs Borrowers, or entities that have borrowed and repaid or pre-paid an insured, direct, or guaranteed loan received under the Rural Electrification Act.

Funding Availability. \$10,000,000 in FY2007.

Application Process. To apply for funding for the grant program, please contact your Rural Development State Office.

Summary. Rural Economic Development Grants provide funding to rural projects through local utility organizations. Eligible projects include technical assistance, business incubators, community development assistance, as well as facilities for education and training.

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## Small Business Development Centers

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**Small Business Administration**  
Office of Small Business Development Center  
409 3rd Street, SW  
Washington, DC 20416  
(202) 205-6766

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to establish Small Business Development Centers committed to the delivery of technical assistance to current and potential small businesses.

Eligible Recipients. Public and private higher education institutions.

Funding Availability. \$89,000,000 in FY2007 (estimated).

Application Process. Colleges or universities submit an application, subject to review procedures established by the state. Grants are awarded competitively.

Summary. Grants support the establishment of Small Business Development Centers by colleges and universities. Centers provide a range of technical assistance.

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## Trade Adjustment Assistance

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**Department of Commerce**  
 Economic Development Administration  
 Planning and Development Assistance Division  
 1401 Constitution Avenue, NW  
 Washington, DC 20230  
 (202) 482-5081

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to provide assistance to firms and industries that have been adversely affected by increased imports.

Eligible Recipients. Primarily restricted to a network of 11 established Trade Adjustment Assistance Centers. However, in some circumstances, other intermediary organizations (such as industry associations) may apply.

Funding Availability. \$12,870,000 in FY2007.

Application Process. Trade Adjustment Assistance Centers submit an annual application.

Summary. Grant funds may be used to support the delivery of technical assistance to firms certified as being negatively impacted by import competition. Technical assistance includes a range of services, such as planning, market research, business process improvement, technology development, and management information systems guidance.

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## Weed & Seed

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**Department of Justice**  
 Community Capacity Development Office (CCDO)  
 810 Seventh Street, NW  
 Washington, DC 20531  
 202-616-1152

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Type of Assistance. Project grants.

Purpose. Operation Weed and Seed is a community-based initiative that encompasses an innovative and comprehensive multi-agency approach to law enforcement, crime prevention, and community revitalization, and seeks to work with local communities to design strategies for deterring crime, promoting economic growth, and enhancing quality of life.

Eligible Recipients. State, local and tribal governments and nonprofit organizations, including faith-based organizations, may apply for the Weed and Seed Communities Competitive Program. Existing Weed and Seed Sites may apply for continuation funding.

Funding Availability. \$49,000,000 in FY2007 (estimated).

Application Process. Interested communities must follow a 10-step Pre-Award Development process. Applicants must first Submit a Notice of Intent, then organize a preliminary Weed and Seed steering committee; conduct a problem/needs assessment of the area; select the designated focus area; select needed resources for the focus area; identify goals, objectives, and implementation activities; develop performance measures; develop an implementation schedule; begin program implementation, and execute assessment.

Summary. Funding must be used for both Weeding (Law Enforcement Activities and Community Policing) and Seeding (Prevention, Intervention and Treatment Programs; and Neighborhood Restoration). At least 50% of each grant must be used for Weeding activities.

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## Women's Business Ownership Assistance

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### **Small Business Administration**

Office of Women's Business Ownership

409 3rd Street, SW

Washington, DC 20416

(202) 205-6673

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Type of Assistance. Project grants.

Purpose. The purpose of the program is to provide nonprofit organizations with the financial resources to operate women's business centers and to train women to start and operate small businesses.

Eligible Recipients. Private nonprofit organizations.

Funding Availability. \$12,000,000 in FY2007 (estimated).

Application Process. Nonprofit organizations submit a standard application package for review by the Small Business Administration. Grants are awarded competitively.

Summary. Funds support the establishment of Women's Business Centers. The Centers provide a range of technical assistance for new and continuing small businesses owned and controlled by women, addressing such areas as finance, accounting, management, procurement, and marketing.



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# LOAN PROGRAMS

**The Federal Government offers a number of direct loan and loan guarantee programs designed to provide public and private investment capital for business growth and economic development activity.**

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## **Business and Industry Guaranteed Loan Program**

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**Department of Agriculture**  
Rural Business-Cooperative Service  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 690-4730

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Type of Assistance. Direct loans and loan guarantees.

Purpose. The purpose of the program is to provide a source of capital for financing business and development to improve the economic and environmental climate in rural communities.

Eligible Borrowers. Rural businesses, state and local governments, cooperative associations, and nonprofit associations applying through commercial lenders.

Funding Availability. \$3,000,000,000 in FY2007.

Application Process. Businesses and other organizations apply for direct and guaranteed loans through commercial lenders.

Summary. Direct loans and loan guarantees may be used for an array of business and economic development purposes, such as the acquisition of land, buildings, and facilities; purchase of machinery and equipment; and modernization and leasehold improvements.

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## **Certified Development Company Loans**

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**Small Business Administration**  
Office of Financial Assistance  
409 3rd Street, SW  
Washington, DC 20416  
(202) 205-6490

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Type of Assistance. Loan guarantees.

Purpose. The purpose of the program is to assist small businesses in securing the capital required for the purchase of fixed assets.

Eligible Borrowers. Small business applying through certified development companies.

Funding Availability. \$7,500,000,000 in FY2007.

Application Process. Small businesses apply for loans guaranteed by the Small Business Administration through local certified development companies incorporated as nonprofit organizations for the purpose of promoting economic growth in a defined geographic area.

Summary. Loan proceeds may be used by small businesses for the acquisition of land and buildings; construction, expansion, renovation or modernization of buildings; or acquisition or installation of machinery and equipment.

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## Community Development Block Grant/Section 108 Loan Guarantees

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**Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 Financial Management Division  
 451 7th Street, SW  
 Washington, DC 20410  
 (202) 708-1871

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Type of Assistance. Loan guarantees.

Purpose. The purpose of the program is to provide communities with a source of capital for economic development, housing rehabilitation, public facilities, and large scale physical development projects that primarily benefit low to moderate income residents.

Eligible Borrowers. Metropolitan cities and urban counties, nonentitlement communities that are assisted in the submission of applications by states that administer the CDBG program, and nonentitlement communities eligible to receive CDBG funds under the HUD-administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

Funding Availability. \$204,068,755 in FY2007 (estimated).

Application Process. Local units of government submit a standard application package, subject to review procedures established by the state.

Summary. Loan proceeds may be used to support activities consistent with those proposed in the Consolidated Plan prepared as part of the Community Development Block Grant Application. Additionally, all proposed projects must principally benefit low to moderate income residents, aid in the prevention of slums and blight, or meet other urgent community needs.

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## Community Development Revolving Loan Program for Credit Unions

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**National Credit Union Administration**  
 Office of Small Credit Union Initiatives  
 Community Development Revolving Loan Program  
 1775 Duke Street  
 Alexandria, VA 22314  
 (703) 518-6610

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Type of Assistance. Direct Loans and Technical Assistance Grants.

Purpose. The purpose of the program is to assist credit unions serving low income members by providing capital to support economic development activities and availability of basic financial services to community residents.

Eligible Borrowers. State and Federally-chartered credit unions with a low income designation. Credit unions may elect to establish a partner relationship with another credit union, a local, state, or Federal government entity, or a nongovernmental community service or related entity.

Funding Availability. \$940,500 for Technical Assistance Grants for FY2007 through FY2008. Under the revolving loan program, funds are available in varying amounts throughout the year. As of February 28, 2007, approximately \$7.6 million was available.

Application Process. Credit unions submit a standard application package to the National Credit Union Administration.

Summary. Loan proceeds may be used to support economic development and revitalization efforts aimed at benefiting the community by serving as a catalyst for private investment. Additionally, funds may be used to provide member services such as financial counseling, as well as to increase the membership and capitalization base of the credit union.



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## Community Facilities Loans and Grants

(Note: The Community Facilities Loans and Grants Program also makes grants available to qualified entities. See the discussion under Grant Programs.)

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**Department of Agriculture**  
Housing and Community Facilities Program National Office  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 720-4323

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Type of Assistance. Direct loans and loan guarantees.

Purpose. The purpose of the program is to support the construction, expansion, extension, and improvement of community facilities providing essential services to residents of rural areas.

Eligible Borrowers. State and local governments, Indian tribes on state and Federal reservations, and nonprofit organizations.

Funding Availability. \$297,000,000 for Direct Loans in FY2007, and \$207,900,000 for Loan Guarantees in FY2007.

Application Process. Organizations requesting loans submit applications in accordance with prior review and procedural requirements established by the state. An environmental assessment of the proposed project is required.

Summary. Loan proceeds may be used for the construction, expansion, or improvement of facilities supportive of community development in financially challenged areas, such as child care centers, food recovery and distribution centers, assisted living facilities, group homes, mental health clinics, shelters, and educational facilities. Funded projects may also involve the development of industrial parks, fire and rescue services, and utility extensions. All facilities financed in whole or in part with loan funds must be intended for public use.

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## Economic Injury Disaster Loans

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**Small Business Administration**  
Office of Disaster Assistance  
409 3rd Street, SW  
Washington, DC 20416  
(202) 205-6734

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Type of Assistance. Direct loans.

Purpose. To provide loans to small businesses suffering from substantial economic injury resulting from a physical disaster or an agricultural production disaster designated by the Secretary of Agriculture.

Eligible Borrowers. For-profit entities that are located within declared disaster areas.

Funding Availability. \$464,134,200 approved as of 3/31/07. Call for additional information.

Application Process. For-profit entities can get information by calling (202) 205-6734.

Summary. EIDLs provide capital to small businesses recovering from adverse economic effects of disasters. In order to qualify for a loan, the economic injury must be deemed a direct result of the disaster.

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## Intermediary Relending Program

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**Department of Agriculture**  
 Rural Business-Cooperative Service  
 1400 Independence Avenue, SW  
 Washington, DC 20250  
 (202) 690-4100

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Type of Assistance. Direct loans.

Purpose. The purpose of the program is to alleviate poverty and increase economic activity and employment in rural communities by providing loans to local (intermediary) organizations. These organizations then establish revolving loan funds to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities.

Eligible Borrowers. Private nonprofit corporations, public agencies, Indian groups, and cooperatives with at least 51 percent rural membership aimed at increasing income for producer members or purchasing power for consumer members may apply for intermediary lender status.

Funding Availability. \$33,800,000 in FY2007.

Application Process. For loans, potential borrowers apply to Department of Agriculture-funded intermediaries. Intermediaries apply to the Department of Agriculture for designation and funding, subject to review procedures established by the state.

Summary. Intermediaries are provided loan funds by the Department of Agriculture for subsequent re-lending to eligible borrowers. Loans made to borrowers by intermediaries may be used for business facilities and other community development projects in rural areas. Borrowers are required to contribute a minimum of 25% of the financial capital needed for the project.

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## Microloan Demonstration Program

(Note: The Microloan Program also makes technical assistance grants available to qualified intermediaries. For more see the discussion under Grant Programs.)

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**Small Business Administration**  
 Office of Financial Assistance  
 409 3rd Street, SW  
 Washington, DC 20416  
 (202) 205-6490

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Type of Assistance. Direct loans.

Purpose. The purpose of the program is to provide loan funds to start-up, newly-established, or growing small business concerns. Funds are made available to nonprofit, community-based lenders (intermediaries), who then make loans to eligible borrowers.

Eligible Borrowers. Loans are made to new or growing small businesses. Qualified intermediaries include: nonprofit organizations, quasi-governmental economic development corporations, or Agencies established by Native American Tribal Governments.

Funding Availability. \$18,000,000 in FY2007 (estimated).

Application Process. Organizations interested in becoming Intermediaries should contact SBA for information on the application process and should review the regulations published in the Code of Federal Regulations, specifically sections 120.700-120.716. Loans are made to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.

Summary. The Microloan program provides loan funds to start-up, newly-established, or growing small business. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers.

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## Rural Economic Development Loans

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**Department of Agriculture**  
Rural Business-Cooperative Service  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 720-4730

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Type of Assistance. Direct loans.

Purpose. The purpose of the program is to provide loan capital to promote economic development and job creation in rural communities.

Eligible Borrowers. Public or private organizations are eligible to apply for loans. Electric and telephone utilities that have current loans with the Rural Utilities Service or outstanding loans with the Rural Telephone Bank are eligible to apply for intermediaries.

Funding Availability. \$25,200,000 in FY2007.

Application Process. For loans, borrowers apply to the electric or telephone utility in their community designated as an intermediary. For intermediaries, electric and telephone utilities submit a standard loan application, subject to review procedures established by the state.

Summary. Loan proceeds may be used by borrowers to finance projects that promote economic development and job creation in rural areas. Activities supported by the loan program may include business expansion and business startup; acquisition of buildings, equipment, machinery, and land; community infrastructure enhancement for economic development and job creation purposes; construction of medical facilities and purchase of equipment to provide medical care to rural residents; construction of educational facilities and purchase of equipment to provide training and job enhancement skills to rural residents; and implementation of business incubator projects to assist in developing emerging enterprises.

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## Rural Housing Site Loans

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**Department of Agriculture**  
Housing Programs, National Office  
USDA Rural Development, Room 5014-S  
Mail Stop 0701  
1400 Independence Avenue SW  
Washington, DC 20250-0701  
(202) 690-1533

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Type of Assistance. Direct loans.

Purpose. The purpose of the program is to provide capital for the purchase of land for development as housing for rural low income families.

Eligible Borrowers. Public and private nonprofit organizations.

Funding Availability. \$10,000,000 in FY2007.

Application Process. Public and private nonprofit organizations submit a standard application package for review by the Department of Agriculture.

Summary. Loan proceeds may be used to help defray the cost of land acquisition and development. Funds may also be applied to the expense of equipment which becomes a permanent part of the development; water and sewer facilities; engineering and legal fees; landscaping; and other required facilities, such as walks, parking areas, and driveways.

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## Small Business Investment Companies

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### **Small Business Administration**

Investment Division

409 3rd Street, SW

Washington, DC 20416

(202) 205-6510

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Type of Assistance. Loans, Subordinated Debt and Equity.

Purpose. The purpose of the program is to provide a network of privately owned and managed Small Business Investment Companies (SBICs), licensed and regulated by the Small Business Administration (SBA), as a resource for small businesses to access equity capital.

Eligible Borrowers. Any business defined as small by the SBA regulations may apply for an investment from an SBIC. Small status is determined by net income and net worth or number of employees. The small business must be a US business and have most of its business or employment within the US.

Funding Availability. \$3,500,000,000 in 2007 (estimated).

Application Process. Eligible small businesses apply directly to SBICs for loans. The investment decision is made solely by the SBIC. The SBA has no voice in the decision provided the investment complies with SBA regulations.

Summary. SBICs provide loan funds to small businesses within the SBICs' investment strategy. SBICs generally make investments within defined geographic areas, although this is not a requirement. Many tend to be industry specific, although they will invest across a broad range of industries. SBICs in good standing may receive leverage and loan guarantees from the SBA of up to 300% of their private capital, subject to established limits.

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# TAX INCENTIVES

**The Federal Government extends a number of tax benefits with the goal of offering incentives to individuals and businesses for investment in economic development and job creation for low income communities and residents.**

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## Empowerment Zone/Enterprise Community (Rural)

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**Department of Agriculture**  
Office of Community Development  
1400 Independence Avenue, SW  
Washington, DC 20250  
(202) 619-7980 pr 1-800-645-4712

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**Purpose.** The Empowerment Zone/Enterprise Community (EZ/EC) Initiative for rural communities provides for the establishment of defined geographic areas as the focus for economic development and job creation efforts designed to promote revitalization and increase opportunity for the economically disadvantaged and long term unemployed. As part of the EZ/EC Initiative, private businesses in the area are eligible for a range of tax benefits.

**Eligible Taxpayers.** Individuals and corporations operating businesses in defined rural Empowerment Zones, subject to certain limitations.

**Summary.** The EZ/EC Initiative offers taxpayers operating businesses in the 10 defined rural Empowerment Zones a number of benefits. These include:

- **Employment Tax Credit.** Eligible employers can receive a tax credit of 20% of the first \$15,000 in annual wages paid to an Empowerment Zone resident, up to a maximum of \$3,000 per employee.
- **Increased Section 179 Deduction.** For businesses meeting defined eligibility requirements and located within an Empowerment Zone, the Section 179 deduction for the expensing of the cost of capital property is increased by \$35,000.
- **Rollover of Gain from Sale of Assets.** Recognition of gains realized from the sale of qualified Empowerment Zone assets (such as stock in an Empowerment Zone business or certain tangible property) can be postponed.

In addition to these tax incentives, other benefits are available to rural Empowerment Zone businesses. Contact the Department of Agriculture for more information.

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## Empowerment Zone/Enterprise Community (Urban)

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**Department of Housing and Urban Development**  
 Office of Community Planning and Development  
 RC/EZ/EC Office  
 451 7th Street, SW  
 Washington, DC 20410  
 (202) 708-6339

**Purpose.** The Empowerment Zone/Enterprise Community (EZ/EC) Initiative for urban communities provides for the establishment of defined geographic areas as the focus for economic development and job creation efforts designed to promote revitalization and increase opportunity for the economically disadvantaged and long term unemployed. As part of the EZ/EC Initiative, private businesses in the area are eligible for a range of tax benefits.

**Eligible Taxpayers.** Individuals and corporations operating businesses in defined urban Empowerment Zones, subject to certain limitations.

**Summary.** The EZ/EC Initiative for urban areas offers taxpayers operating businesses in 30 defined urban Empowerment Zones a number of benefits. These include:

- **Employment Tax Credit.** Eligible employers can receive a tax credit of 20% of the first \$15,000 in annual wages paid to an Empowerment Zone resident, up to a maximum of \$3,000 per employee.
- **Increased Section 179 Deduction.** For businesses located within an Empowerment Zone and meeting defined eligibility requirements, the Section 179 deduction for the expensing of the cost of capital property is increased by \$35,000.
- **Rollover of Gain from Sale of Assets.** Recognition of gains realized from the sale of qualified Empowerment Zone assets (such as stock in an Empowerment Zone business or certain tangible property) can be postponed.

In addition to these tax incentives, other benefits are available to urban Empowerment Zone businesses. Contact the Department of Housing and Urban Development for more information.

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## Brownfields Tax Incentive (Environmental Cleanup Cost Deduction)

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**Environmental Protection Agency**  
 Office of Brownfields Cleanup and Redevelopment  
 1200 Pennsylvania Avenue, NW  
 Washington, DC 20460  
 (202) 566-2777

**Purpose.** The purpose of the environmental cleanup cost deduction is to create an incentive for the cleanup of former industrial sites that have been polluted for subsequent redevelopment and return to productive use. These sites are referred to as Brownfields by the Environmental Protection Agency.

**Eligible Taxpayers.** Firms that pay the costs of environmental cleanup for qualified Brownfields held for use in trade or business. In December 2006, changes in Federal tax law expanded the incentive to allow for cleanup of petroleum sites.

**Summary.** Businesses can deduct the full cost of environmental cleanup of qualified Brownfields in the year that the expenses were incurred. To be eligible for the deduction, the business is required to acquire a statement from the designated state environmental agency that there has been a release, threat of release, or disposal of a hazardous substance on the property.

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## New Markets Tax Credit

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**Department of the Treasury**  
Community Development Financial Institutions Fund  
601 13th Street, NW  
Suite 200 South  
Washington, DC 20005  
(202) 622-8662

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**Purpose.** The goal of the New Markets Tax Credit is to create a financial incentive for businesses and individuals to make equity investments in eligible community development entities (CDEs). These investments will be used by CDEs to create pools of loan funds to be used to assist businesses located in low income communities.

**Eligible Taxpayers.** Individuals and businesses making equity investments in eligible CDEs.

**Summary.** Qualified CDEs apply to the Community Development Financial Institutions Fund for New Markets Tax Credits. The CDEs use these credits as an incentive to attract private investment from individuals and businesses. Investors receive a tax credit totaling 39% of the value of their investment in present value terms. The credit is distributed over a seven year period (5% for each of the first three years and 6% for each of the next four years). CDEs are required to use the equity gathered from private investors to provide loans to businesses located in and connected to low income communities.

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## Renewal Community

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**Department of Housing and Urban Development**  
Office of Community Planning and Development  
RC/EZ/EC Office  
451 7th Street, SW  
Washington, DC 20410  
(202) 708-6339

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**Purpose.** The Renewal Community Initiative provides for the establishment of defined geographic areas in urban and rural communities as the focus for economic development and job creation efforts designed to promote revitalization and increase opportunities for the economically disadvantaged and long term unemployed. As part of the Renewal Community Initiative, private businesses in the area are eligible for a range of tax benefits.

**Eligible Taxpayers.** Individuals and corporations operating businesses in any of 40 defined urban and rural Renewal Communities.

**Summary.** The Initiative offers taxpayers operating businesses in defined urban and rural Renewal Communities a number of benefits. These include:

- **Employment Tax Credit.** Eligible employers can receive a tax credit of 15% of the first \$10,000 in annual wages paid to a Renewal Community resident, up to a maximum of \$1,500 per employee.
- **Increased Section 179 Deduction.** For businesses located within a Renewal Community and meeting defined eligibility requirements, the Section 179 deduction for the expensing of the cost of capital property is increased by \$35,000.
- **Commercial Revitalization Deduction.** Businesses that substantially rehabilitate or construct new nonresidential property within a Renewal Community can deduct half of the related expense the year the property is placed in service. Alternatively, the expenses can be amortized over a period of 120 months.
- **Capital Gain Exclusion.** Businesses or individuals that hold a Renewal Community asset, including qualified stock, partnership interest, or business property, for more than five years are not required to include the capital gain from sale of the asset as income.

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## Welfare to Work Tax Credit

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**Department of Labor**  
 Employment and Training Administration  
 Division of Welfare to Work  
 200 Constitution Avenue, NW  
 Washington, DC 20210  
 (202) 693-3910

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**Purpose.** The purpose of the Welfare to Work Tax Credit is to create a financial incentive for the hiring of former long term public assistance recipients.

**Eligible Taxpayers.** Employers that hire former long term public assistance recipients.

**Summary.** Employers are eligible for tax credits of up to 35% of the first \$10,000 in annual wages paid to qualified new workers in the first year (maximum \$3,500) and 50% of the second year (maximum \$5,000). As of January 1, 2007, the Welfare to Work Tax Credit has been combined into the same program as the Work Opportunity Tax Credit (below).

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## Work Opportunity Tax Credit

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**Department of Labor**  
 Employment and Training Administration  
 U.S. Employment Service  
 200 Constitution Avenue, NW  
 Washington, DC 20210

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**Purpose.** The purpose of the Work Opportunity Tax Credit is to create a financial incentive for the hiring of individuals within nine targeted groups.

**Eligible Taxpayers.** Employers that hire individuals from the nine targeted groups.

**Summary.** Employers are eligible for tax credits of up to 25% of the first-year wages for workers staying on the job between 120 to 400 hours annually, and 40% for workers who stay more than 400 hours annually. (However, there is no credit for employees' wages if working less than 120 hours the first year.) The maximum credit per employee is \$2,400 (40% of the first \$6,000 of qualified first-year wages). The nine targeted groups include:

- Members of families that are receiving or have recently received Temporary Assistance to Needy Families or Aid to Families with Dependent Children
- Individuals between the ages of 18 to 39 years that are members of families that are receiving or has recently received Food Stamps
- Veterans that are members of families that are receiving or have recently received Food Stamps
- Residents of Empowerment Zones, Enterprise Communities, or Renewal Communities between the ages of 18 and 24
- Empowerment Zone, Enterprise Community, or Renewal Community residents between the ages of 16 and 17 hired between May 1 and September 15 as Summer Youth Employees
- Disabled persons who have completed or are completing rehabilitative services provided by a state veterans agency or the U.S. Department of Veterans Affairs
- Ex-offenders
- Recipients of Supplemental Security Income benefits
- New York Liberty Zone business employees





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# FAITH-BASED AND COMMUNITY INITIATIVE CONTACT INFORMATION

## **White House Office of Faith-Based and Community Initiatives**

The White House  
Washington, DC 20502  
(202) 456-6708  
(202) 456-7019 FAX  
[www.fbc.gov](http://www.fbc.gov)

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## **Agency Centers:**

### **Department of Justice**

950 Pennsylvania Ave., NW Room 4413  
Washington, DC 20530  
(202) 514-2987  
[www.ojp.usdoj.gov/fbc](http://www.ojp.usdoj.gov/fbc)

### **Department of Agriculture**

14th and Independence Ave., SW  
Office of the Secretary, Room 200-A  
Washington, DC 20250  
(202) 720-3631  
[www.usda.gov/fbc](http://www.usda.gov/fbc)

### **Department of Commerce**

14th and Constitution Ave., NW  
Washington, DC 20230  
(202) 482-4355  
[www.commerce.gov/fbc](http://www.commerce.gov/fbc)

### **Department of Labor**

200 Constitution Ave., NW  
Washington, DC 20210  
(202) 693-6450  
[www.dol.gov/cfbc](http://www.dol.gov/cfbc)

### **Department of Health and Human Services**

200 Independence Ave., SW, Ste 118-F  
Washington, DC 20201  
(202) 358-3595  
[www.hhs.gov/fbc](http://www.hhs.gov/fbc)

### **Department of Housing and Urban Development**

451 7th St. SW, Room 10184  
Washington, DC 20410  
(202) 708-2404  
[www.hud.gov/offices/fbc/index.cfm](http://www.hud.gov/offices/fbc/index.cfm)

### **Department of Education**

555 New Jersey Ave., NW  
Capitol Place, Ste 410  
Washington, DC 20208  
(202) 219-1741  
[www.ed.gov/faithandcommunity](http://www.ed.gov/faithandcommunity)

### **Department of Veterans Affairs**

810 Vermont Ave., NW  
Washington, DC 20420  
(202) 273-7499  
[www.va.gov/opa/fbc](http://www.va.gov/opa/fbc)

### **Department of Homeland Security**

3801 Nebraska Ave., NW  
Building 17, Floor 2  
Washington, DC 20528  
(202) 447-3342  
[www.dhs.gov/fbc](http://www.dhs.gov/fbc)

### **Agency for International Development**

1300 Pennsylvania Ave., NW  
Washington, DC 20523  
(202) 712-4080  
[www.usaid.gov/our\\_work/global\\_partnerships/fbc/](http://www.usaid.gov/our_work/global_partnerships/fbc/)

### **Small Business Administration**

409 3rd St., SW, 8th Floor  
Washington, DC 20416  
(202) 205-9037  
[www.sba.gov/fbc](http://www.sba.gov/fbc)



*“I believe in the power of faith in people's lives. Our government should not fear programs that exist because a church or a synagogue or a mosque has decided to start one. We should not discriminate against programs based upon faith in America. We should enable them to access Federal money, because faith-based programs can change people's lives, and America will be better off for it.”*

*President George W. Bush*

