

MODULE 6: ECONOMIC DEVELOPMENT



Eligible Economic Development Activities

- 14E Rehab: Publicly or Privately Owned Commercial/Industrial (CI)
- 17ACI: Acquisition/Disposition
- 17BCI: Infrastructure Development
- 17CCI: Building Acquisition, Construction, Rehab
- 17DCI: Other Improvements
- 18AED: Direct Financial Assistance to For-Profits
- 18BED: Technical Assistance
- 18CED: Microenterprise Assistance

Economic Development National Objectives

- **Low Mod Jobs (LMJ) – most common**
 - Create or retain jobs
 - At least 51 % of Full-Time Equivalents must be Low-Mod income
- **Others**
 - Limited clientele - Microenterprise
 - Area benefit - service type businesses
 - Slum Blight Area/Spot

Persons Assisted vs. Full-Time Equivalents (FTE)

- When part-time jobs involved, persons assisted will always be more than the FTE
- **EXAMPLE:**
 - Activity creates one full-time and two part-time jobs (20 hours/ week)
 - 3 persons assisted > 2 FTEs

Persons Assisted

Alice Anderson

Bill Brown

Cindy Snow

3 Persons Assisted

Positions Created

1.0 Full-Time Manager

0.5 Part-Time Clerk

0.5 Part-Time Sales

> 2.0 Full-Time Equivalents

Low-Mod Job National Objective

- **Job Creation Documentation:**
 - How jobs made available to or held by LMI
 - Only count first “hire” for each job
 - Track jobs as long as jobs are still being created/hiring for new positions is still occurring (not defined in regulations)
- **Job Retention Documentation:**
 - Document how jobs will be lost without CDBG

Key Points for Economic Development

- Direct Financial Assistance to For-Profits
 - Separate activity for each business assisted
 - Do not aggregate
- Report jobs in correct program year
- Report jobs only once each program year (i.e., separate program delivery activity)
- Report only the number of jobs created/retained; do not report on LMI population or the total population of a jurisdiction
- CDBG-R jobs calculation is different

LMJ Screens

- Adding a New Activity
 - Add Activity
 - Add CDBG Setup Detail Page 1
 - Add CDBG Setup Detail Page 2
- Updating/Completing an LMJ Activity
 - Refer to Chapter 12 in Manual
 - Page 1: Narrative, Direct Benefit, and Job Data
 - Page 2: Performance Measures
 - Job Categories
 - Type of Assistance to Businesses
 - DUNS Numbers