

***SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT,
AND RELATED AGENCIES***

**Community Development Fund - Economic Development Initiative (EDI)
Department of Housing and Urban Development (HUD)
*Guidelines and Requirements for Appropriations Submissions Database***

**Database opens March 10, 2023
Member Request deadline is 6:00 PM, March 31, 2023
Members must post CPF requests on their websites on April 17, 2023**

EDI Community Project Funding within the Community Development Fund account of the HUD title is intended for economic and community development activities, consistent with statutory and additional Committee requirements.

Project requests for the FY24 Economic Development Initiative program must be eligible under one or more of the following criteria of the Community Development Block Grant (CDBG) program: 42 U.S.C. 5305(a)(1), 5305(a)(2), 5305(a)(4), 5305(a)(5); which are as follows—but limited to—land or site acquisition, demolition or rehabilitation; blight removal; and construction and capital improvements of public facilities, except for “buildings used for the general conduct of government.”¹ Programmatic and operational expenses are not eligible.

5305(a)(1) – the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this chapter; or (E) to be used for other public purposes;

5305(a)(2) – the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;

5305(a)(4) – clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings);

5305(a)(5) – special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

¹ 42 U.S.C. 5302(a)(21) provides: “The term ‘buildings for the general conduct of government’ means city halls, county administrative buildings, State capitol or office buildings, or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various non-legislative functions or services provided by government at decentralized locations.”

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Given that projects must meet these authorized purposes of the CDBG program, the Committee expects to fund the following types of projects and other similar projects:

- Water or sewer infrastructure projects, which are not otherwise eligible to be funded as CPFs in EPA STAG (Interior bill) or Rural Water and Waste (Agriculture bill);
- Local road infrastructure, which is not otherwise eligible as a CPF in Highways (in this bill);
- Streetscape improvements;
- Public or non-profit housing rehabilitation, housing development financing, residential conversions, and neighborhood revitalization projects, which would increase housing supply and/or improve housing affordability in the local community;
- Projects with a clear economic development benefit, such as workforce training centers and manufacturing incubators;
- Projects that meet a compelling local need consistent with the statutory purposes. For example, food banks in economically disadvantaged neighborhoods, youth and senior centers, and multipurpose community centers.

All projects will be evaluated based on the individual submissions, and projects will be selected based on the merits of the project relative to other projects and the availability of CPF funding.

So that Members have the clearest possible guidance on the front end, the following types of projects are not eligible for CPF funding:

- Museums, commemoratives, memorials;
- Swimming pools, water parks, golf courses;
- Healthcare facilities;
- Venues strictly for entertainment purposes – e.g., theaters and performing arts venues.

Due to the statutory restriction on using funds for “buildings for the general conduct of government,” things like courthouses and town halls cannot be funded.

Demonstration of Community Support: Projects require substantial evidence of community support to be considered for funding. Community support documentation can include letters from elected officials and community groups, local transportation or community development plans, publications including news articles, and any other documents that demonstrate public support for the project.

Reminder on Environmental Review Requirements: EDI projects, like all projects funded by HUD, are subject to requirements under the National Environmental Policy Act (NEPA), HUD’s NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58, and all applicable federal environmental and historic preservation laws, regulations, and Executive Orders. An environmental review must be completed before HUD funds and new commitments of non-HUD funds can be used on a project (24 CFR 58.22).

In addition to meeting the above eligibility criteria, all projects must meet these Committee requirements:

- Administered by state, local, or tribal governmental entities or non-profit 501(c)(3) organizations.
- As a reminder, for-profit entities are not eligible for Community Project Funding.
 - Members are advised that projects for governmental entities to improve *private* properties pursuant to 42 U.S.C. 5305(a)(4) will be highly scrutinized and possibly not funded.
- Members are advised that projects submitted under 42 U.S.C. 5305(a)(1)(C) will be disfavored if the only or primary purpose of the project is “beautification” or historic preservation, without evidence of other community development or economic development benefits.

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EDI projects are not eligible for the reimbursement of expenses for soft costs (planning, administrative) incurred prior to the completion of a grant agreement between HUD and the grantee; a grant agreement and a completed environmental review are necessary for reimbursement of hard costs (construction activities).

For each EDI Community Project Funding request, Members will need to provide specific information through the electronic submission process. The database will include the following questions to assist the Subcommittee in vetting and selecting projects. The Chair may require additional information from your office. Please ensure Community Project Funding requests are not duplicative of requests to another Committee or Subcommittee.

Community Project Funding prompts in the database for EDI:

- **Project Name.** A short name by which the project may be identified, including a very brief description of what the funds will be used for and the project's location (city, county, State, Congressional District, or Tribe).

NOTE: This description may be used to list the project in the House report and should be as accurate as possible to ensure that the funding goes to the correct project and location.

EXAMPLE: *Sturgis Downtown Revitalization. City of Sturgis, St. Joseph County, Michigan, 6th Congressional District).*

- **General description of the project and why it is needed.**

EXAMPLE: *This project will provide infrastructure needed to support downtown expansion, including housing developments in downtown Sturgis. Core components include parking lot reconstruction, alleyway accessibility/beautification upgrades (including a trailhead for a future non-motorized trail), storm sewer improvements, and electrical utility work (moving electrical lines underground). The project is located in a Qualified Census Tract, traditional downtown, and will lessen financial burden on downtown property owners hit hard by economic circumstances that would otherwise have to cover higher project costs for parking lot work by way of a special assessment. The project is aligned to the city's recent placemaking efforts (added downtown firepit, public art, plaza/streetscape walkway, etc.). The City of Sturgis is confident the project is shovel ready and could be completed within the identified project period.*

- **What are the benefits of this project and why is it a priority?**

EXAMPLE: *Downtown Sturgis is at a critical tipping point. Despite the challenges over the past two years related to the pandemic, the downtown is seeing an uptick in potential development projects, including a large-scale housing development. These projects will create an increased demand for parking and public amenities to make downtown Sturgis a destination of choice. The city is seeking to capitalize on this momentum to not only address needed infrastructure but also to create a vibrant central business district with the inclusion of a food truck court and trailhead.*

- **Amount requested for the Community Project Funding and the total project cost.**

- **Who are the community partners participating in this project? Have local community development organizations with prior experience with HUD programs been consulted?**

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- **Has the request been submitted to another Subcommittee or Committee this fiscal year? If yes, which one(s)?**

- **Is this project consistent with the primary objective of the community development program? Please describe who the project is intended to benefit.**

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**DIRECTIONS AND TEMPLATE FOR MEMBER FINANCIAL DISCLOSURE CERTIFICATIONS AND
FEDERAL NEXUS STATEMENTS:**

Members are required to send the Chairwoman and Ranking Member a letter stating that the Member and his/her “immediate family” (defined as father, mother, son, daughter, brother, sister, husband, wife, father-in-law, or mother-in-law) do not have a financial interest in the requested projects. Members are also required to include a statement regarding the project’s Federal nexus.

Below is suggested text for a statement of Federal nexus and a financial disclosure certification to accompany each Community Project Funding request:

Dear Chairwoman Granger and Ranking Member DeLauro:

“I am requesting funding for _____[project] in fiscal year 2024. The entity to receive funding for this project is _____, located at _____ (address including street name, city, state and zip code). The funding would be used for _____. The project is an appropriate use of taxpayer funds because _____.

The project has a Federal nexus because the funding provided is for purposes authorized by _____ [choose the applicable citation(s): 42 U.S.C. 5305(a)(1), 5305(a)(2), 5305(a)(4), and/or 5305(a)(5)].

I certify that I have no financial interest in this project, and neither does anyone in my immediate family.”

Sincerely,
Member of Congress

These statements must be on letterhead and must be signed by the Member. Members must post these letters publicly on their website on April 17, 2023. Please prepare the certification on letterhead and upload a PDF of the signed document to the request database.

Questions: If you have questions or require further information on EDI Community Project Funding requests, please email the Subcommittee staff at TH.MemberRequests@mail.house.gov with “Economic Development Initiative” in the subject line.