

Federal Finance Programs 101

When it comes to development finance, the federal government has many more programs available to help with economic development financing than most people realize. This summer in Washington, DC, the Council plans to bring education on some of these programs to the 2012 CDFA National Development Finance Summit. CDFA has already invited many federal agencies to be a part of the Development Finance Summit by having speaking roles during sessions, as well as by having special exhibit forums that will give attendees the opportunity to meet face-to-face with agency

representatives to share ideas and learn the basics of programs offered by the federal government.

While not all 179 federal programs will be covered at the Development Finance Summit, below are four of the popular programs that will be discussed.

The chance to ask federal agencies, in person, your specific questions does not come along often. Do not miss this opportunity: register for the 2012 CDFA National Development Finance Summit.

Brownfields Cleanup Grants

U.S. Environmental Protection Agency

The EPA's Cleanup Grants provide funding for a grant recipient to carry out cleanup activities at brownfield sites. Cleanup funds may be used to address sites contaminated by petroleum and hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum). Grants of up to \$200,000 are available per site. No entity may apply for funding cleanup activities at more than three sites. Cleanup Grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.

Eligible Users:

State, local and tribal governments; land clearance authorities or other quasi-governmental entities; redevelopment agencies; and non-profit organizations.

Financing Type:

Access to Capital | Brownfield Finance

Rural Economic Development Loan and Grant (REDLG) Program

U.S. Department of Agriculture

USDA's REDLG Program provides zero-interest loans and grants to Rural Utilities Service borrowers to promote rural economic development and job creation projects. Funds are passed on to third party borrowers as zero-interest loans for projects that create jobs in rural areas, or that provide infrastructure or community facilities in rural areas that will lead to economic stability. Applications for REDLG funds are scored on: job creation potential, sustainability and suitability of projects, diversification of employment in the area, amount of supplemental funds, relative income, and employment levels.

Eligible Users:

Eligible REDLG users are Rural Utilities Service Electric and Telephone borrowers with outstanding but not delinquent loans.

Financing Type:

Access to Capital | Rural Development

504 Loan Program

U.S. Small Business Administration

The Certified Development Company (CDC)/504 Loan Program is a long-term financing tool, designed to encourage economic development within a community. The 504 Loan Program accomplishes this by providing small businesses with long-term, fixed-rate financing to acquire major fixed assets for expansion or modernization. A CDC is a private, non-profit corporation set up to contribute to economic development within its community. CDCs work with the SBA and private sector lenders to provide financing to small businesses.

Eligible Users:

To be eligible for a CDC/504 loan, businesses must be operated for profit and fall within the size and purpose standards set by the SBA.

Financing Type:

Access to Capital

Manufacturing Extension Partnership (MEP)

U.S. Department of Commerce

Within DOC, the National Institute of Standards and Technology's (NIST) MEP program seeks to increase productivity, enhance technological performance, and strengthen the global competitiveness of small- and medium-sized U.S. based manufacturing firms. NIST identifies new federal funding opportunities to support the program. Recent opportunities have focused on strategic growth areas, increasing technological performance, and enhancing energy efficiency in industrial buildings.

Eligible Users:

Eligible applicants are existing MEP extension centers and consortium of centers, which are encouraged to demonstrate the leveraging of resources tied to strategic areas.

Financing Type:

Access to Capital | Innovation Finance